

# **Investing in Results City of San Jose, California**

**ICMA Best Practices 2002  
March 20-22, 2003, Tacoma, Washington**

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<b>Form of Government</b>	
Legislative Body	Council-Manager, with the mayor elected at large and ten council members elected from single-member districts.
Election Schedule	Staggered four-year terms; elections every two years; eight-year term limits.
Population*	918,800
Area	177 square miles
Budget	<b>2001-2002</b> <b>2002-2003</b>
Operating	\$1,513,802,289                      \$1,601,815,332
Capital	\$1,148,013,115                      \$1,739,329,727
<b>Total</b>	<b>\$2,661,815,404</b> <b>\$3,341,145,059</b>
General Revenue Sources	Sales Tax; Licenses and Permits; Property Tax; Utility Tax; State Government; Local Agencies; Franchise Fees; Departmental Charges; Revenue from Money and Property; Fines, Forfeitures and Penalties; Transient Occupancy Tax; Federal Government; Other.
Bond Rating	Standard & Poor's:    AA+ Fitch:                      AA+ Moody's:                Aa1
Number of Employees	7,417 FTE
Socio-Economic Indicators:	
Median Household Income	\$96,000
Percentage of Owner-Occupied Housing	62%
Percentage Unemployed	8.8%
Percentage of High School Graduates	78.3%
Percentage of College Graduates	32%
Leading Employers	County of Santa Clara, IBM, Cisco Systems, Agilent Technologies, City of San José, San José Unified School District, Pacific Bell, San José State University, Seagate Technology, Novellus Systems
Other Distinguishing Characteristics	11 <sup>th</sup> Largest City in the US, Safest Big City, Median Housing Price \$460,000; Fewest public employees per capita of 35 largest US cities; Rich in ethnic diversity, our community is comprised of: 47.5% White, 26.9% Asian, 3.5% Black or African American residents, with 30.2% of Hispanic origin (of any race).

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## EXECUTIVE SUMMARY

**Investing in Results (IiR)** is a comprehensive framework involving customers, employees, management and policymakers. Within this framework, the City invests time, energy and resources to produce the services and results customers want. San Jose launched this multi-year, city-wide effort in April 1999 to improve services delivered to over 900,000 residents by 7,000+ employees. IiR's vision is that the City of San Jose is a customer-focused, results-driven organization. Its mission is to enable the City to provide the highest quality services in the most cost-effective manner.

IiR combines three principal elements—Performance-based Budgeting, Managed Competition, and Organizational Development—into an integrated approach to customer-focused and results-based service delivery. IiR incorporates these elements into a sequence that allows each element to support the others. IiR uses both a centralized team of coaches operating out of the City Manager's Office and a distributed group of facilitators across the organization to implement and guide the effort.

Investing in Results has produced **significant achievements in three areas** of the city organization. The first area is **front-line service delivery**. Street striping crews utilized IiR principles and methods to increase annual production by 34% while achieving cost savings of 6%. Landscape crews revised their weekly work schedule – reducing travel time and focusing on preventive activities – to improve landscape appearance and reduce complaints. In the second area of **budgeting**, the Operating Budget has been restructured from an organizational focus to a functional, service delivery focus that improves the linkage between resources and results. Finally, in the third area of **strategic planning and policy making**, IiR facilitates policy development as well as the translation of policy to action in terms of service delivery. This is accomplished through seven City Service Areas (CSAs) representing the City's major lines of "business" including Aviation, Economic and Neighborhood Development, Environmental and Utility Services, Public Safety, Recreation and Cultural Services, Transportation, and Strategic Support. CSAs prepare 5-Year Business Plans and 1-Year Action Plans to drive decisions on priorities and resource allocation. Each City Service Area's plan then guides services delivered by the Core Services to their "front-line" customers.

## PROBLEM ASSESSMENT

### The Challenge

Like many other municipal governments in the 1990's, the City of San Jose faced a growing demand for accountability in its investment of public resources. Through tax limitation initiatives and rejection of proposals for new or increased taxes, the public throughout California had stated an unwillingness to pay for local government services while real demand for such services continued to grow. In general, governments were also perceived to be less efficient or effective than business – perhaps because the results of taxpayer's investments were not clearly recognized or communicated. Cycles of fiscal retrenchment alternating with demands to respond to economic “booms” with insufficient resources put pressure on budget planners and demoralized employees struggling to meet changing service demands.

### A Service Delivery Focused Solution

Fortunately, the City was in a position to build on previous successful efforts to address these fundamental needs. Over the years, the City had engaged in many efforts to improve services, through both ongoing programs such as Continuous Improvement (CI) and through targeted initiatives, such as public-private competition; program and performance-based budgeting; program sunsets; civil service reform; and group-based pay. These efforts had achieved meritorious individual results; however, they were somewhat separate and dispersed throughout the organization.

The challenge for **Investing in Results** - and for other performance measurement and budgeting systems in local government - is realizing that this is not only about how we budget but about organizational change: how we work, how we deliver services, how we engage the community and our customers, how we involve employees, and how we support effective Council policy-making. In short, the challenge goes beyond the practical goal of a performance-based budget - rather it is to become a performance-driven organization. Here are a few specific ways that IiR helps San Jose to address issues that may be found in many large, public organizations:

- ❑ **Unwillingness to Pay for Government Services** - By describing services and performance in terms of results IiR provides a more meaningful way to communicate with and be accountable to customers concerning the use of tax dollars. Instead of inputs and outputs, results-based performance measures reflect what is important to customers: quality, response time, cost, and customer satisfaction.
- ❑ **Meeting Rapidly Changing Needs** - The IiR framework ensures that the City can respond to changing needs on both strategic and front-line levels. Employees at all levels of the organization use performance information to make decisions about service delivery on a day-to-day basis. Managers use the information to determine longer-term direction for service delivery. The City Council uses information for strategic policy and resource allocation decisions.
- ❑ **Organizational “Silos” and Lack of Collaboration** - IiR helps reduce these issues by taking a customer perspective rather than an organizational perspective. Measuring the end results of service delivery encourages the alignment of effort across organizational

units that are jointly accountable for those results. The City is extending the IiR concept to collaborate with external partners in service delivery by developing performance contracts aligned to the City's performance targets.

- ❑ **Maintaining Employee Motivation and Pride** - Participation in IiR of employees at all levels ensures that employees understand their role in delivering services to customers. When front-line employees and managers work as a team toward the same goals and see progress in credible performance measures, both pride and performance can be enhanced. Ongoing communication and partnership with public employee unions through IiR's Labor Liaison function enables prevention or quick resolution of potential labor/management issues reducing the use of formal processes which can delay or impact service delivery.

### The Challenge, Part 2 – Implementing Change

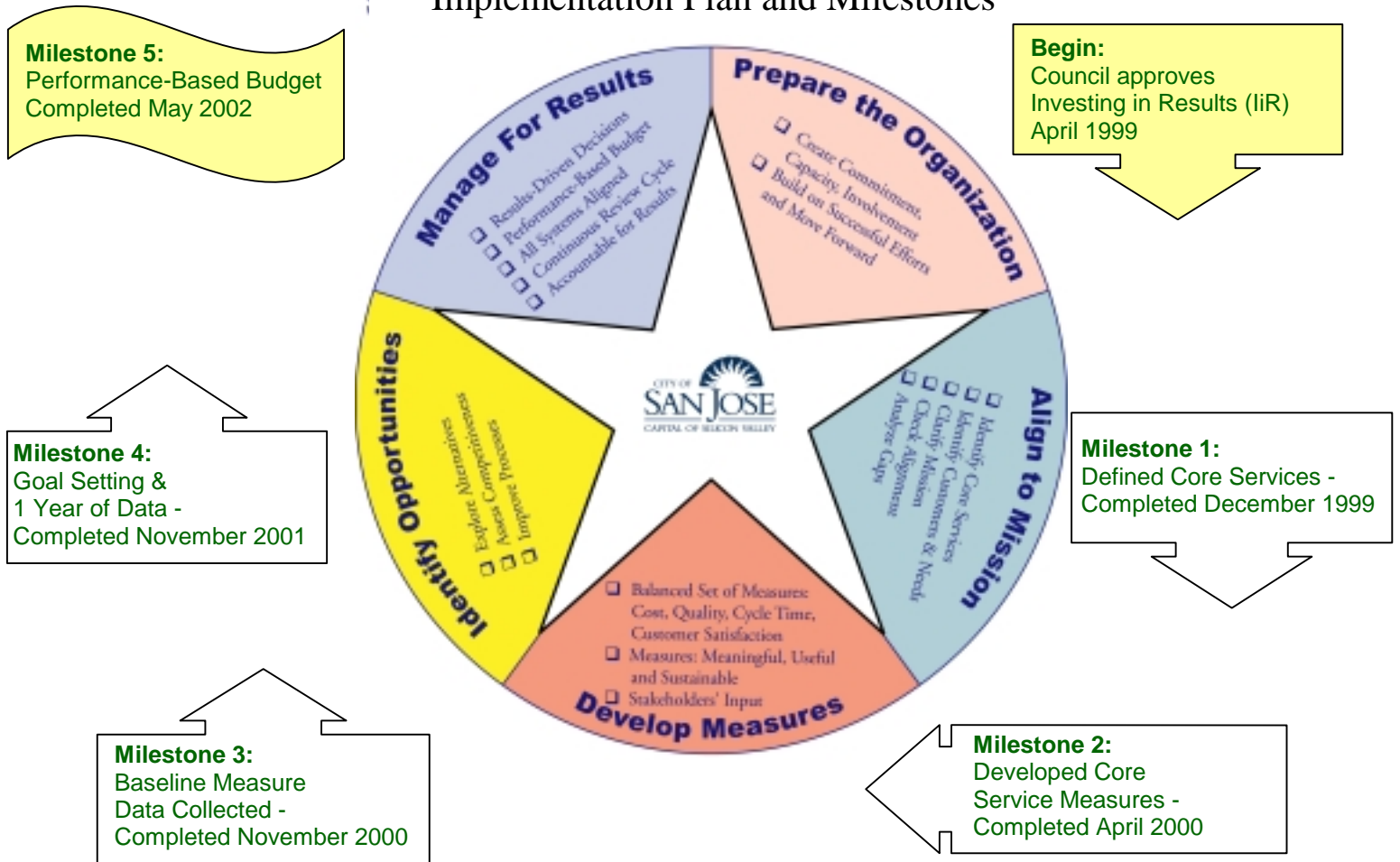
Another element of the challenge faced by any organization pursuing an effort like IiR is the fear and uncertainty involved in change efforts in general and performance accountability efforts in particular. The four principles listed below were drawn up to help address those fears. The four principles guide and facilitate San Jose's implementation of results-based management. This is perhaps its most challenging aspect, as it is often technically difficult, may take years to fully implement and show results, and requires fundamental changes in priorities, systems and established ways of doing the business of government.

- ❑ Employee Involvement and Partnership
- ❑ Commitment, Capacity, Communication
- ❑ Meaningful, Useful, Sustainable
- ❑ Learning Before Scorekeeping

### **PROJECT DESCRIPTION**

San Jose launched Investing in Results in 1999 as a **comprehensive approach** to creating a customer-focused and results-driven organization. Such an organization is conscious of customer needs and wants, and is able to understand and use data on the results customers experience to improve services and invest public resources successfully. Through Investing in Results (IiR) San Jose is building a **service delivery framework** involving customers, employees, management and policymakers. Within this framework, the City invests time, effort and resources to produce the services and results customers want. IiR's mission is to enable the City to provide the highest quality services in the most cost-effective manner. IiR's innovation combines three principal elements—**Performance-based Budgeting, Managed Public/Private Competition, and Organizational Development**—into an integrated approach to customer-focused and results-based service delivery. IiR incorporates these elements into a sequence that allows each element to support the others.

## The Investing in Results “Star” Implementation Plan and Milestones



That sequence is embodied in the IiR Star above, which presents the **five general components** of the City’s approach to results-driven service delivery. The Star is the plan and the process for getting the City organization to its ultimate goal of being customer-focused and results-driven. There is a **logical progression** embodied in the Star that is key in successfully reaching the desired goal. Each step builds on the last and is based in part on lessons learned from studying similar efforts in other organizations. Changing organizational culture and ingrained processes is a challenging and difficult task, even with a well-designed, flexible plan.

IiR’s implementation schedule covered a three-year period during which all departments and offices of all Council Appointees worked collectively toward performance-based budgeting and toward using results to manage service delivery. The milestones represented opportunities for the City Council to provide feedback and input at critical points throughout implementation. It is important to note that while all departments moved forward toward the citywide milestones, the pace of implementation ultimately varied among departments depending on unique challenges and unanticipated events.

Initially, departments and offices undertook the five components in a sequential manner. Ultimately, the components became integrated in the City’s way of doing business in a more dynamic way,

allowing the organization to anticipate and respond to changes in customers' needs and available resources. The five components of the approach are:

**1. Prepare the Organization - *Communicate need for the LiR effort to all; ensure capacity; demonstrate commitment to outcomes.***

The initial stage of LiR involved preparing the organization as a whole. The groundwork for this stage was laid through considerable research, the implementation of pilot projects, and an assessment of similar efforts in other jurisdictions. The approach built upon the City's successes and incorporated best practices from other jurisdictions.

This stage was used to **establish the commitment of the City's elected and appointed leaders** to both leading the effort and to using the information to drive service delivery. It was also the time to recognize the investment necessary to transform the organization and to create the capacity to make that investment. Because the success of the effort depended on the involvement of all City staff, it was important to communicate early and often with employees. This was accomplished through a variety of means, including LiR facilitator networking meetings, an introductory class offered in the City's training catalog, and a series of benefits and concerns meetings put on by the City's Labor Liaison.

As this effort was launched in each department, they also had to prepare their own organizations by focusing on commitment, capacity and communications. Departments and offices held kick-off meetings to explain the program and the process to their employees. Large, multi-shift departments held several meetings in order to communicate with all of their employees and to demonstrate their commitment to the LiR process. The central coaching staff also met with department senior staff to walk them through the workplan and explain how the process would work, including their review and feedback role. Facilitators were picked to coordinate the roll out work that needed to be done in each department and office. Implementation teams (I-teams) comprised of multi-functional, multi-level sets of employees were also developed to work on the next steps of the star.

**2. Align to Mission - *Clarify purpose; map service delivery; determine functional responsibilities to achieve agreed-upon results.***

This step set the context for developing performance measures and was key to obtaining meaningful results. In aligning to mission, we answered the questions: **Are we doing the right work?** Are we delivering the services that our customers want and need? Only after resolving this question was it possible to determine if we were **doing the work right** – which is the purpose of performance measures. Departments undertook a process to reexamine their core services with respect to customer needs and to their departmental missions. They identified gaps between the provided services and customers' needs. In doing so, their core services emerged as a tangible indication of the services they should deliver – the *right work*. Because this assessment eventually will occur at all levels of the organization, all employees will be better able to understand how their responsibilities align and contribute to their department's mission.

Initial City Council approval for moving ahead with LiR was given in April of 1999. Eight months later, in December of 1999, staff returned before Council to report progress on developing missions and identifying core services at the department level. Council asked questions about and commented on the work product to date.

### **3. Developing Measures - *Involve key functional players to create meaningful, useful and sustainable results measures.***

Once departments knew they were doing the right work, they needed to determine if they were doing the work right. Performance measures enable employees to track results, to improve service delivery, and to communicate their results with others. One lesson identified in researching other efforts and in looking at San Jose's own past was that one good way to ensure that performance measures were used or embraced by employees was to involve employees at all levels in developing performance measures that were **meaningful, useful and sustainable**. Using key functional players from different levels and services in a department encouraged employee involvement while helping to ensure that the right people were in the room to develop, revise and critique the measures as they were being developed.

Every effort was put into developing performance measures that focused on results and which presented a balanced picture of performance. This was accomplished by having the departments develop measures that addressed **quality, cycle time, customer satisfaction, and cost**, rather than just inputs and outputs. While allowing for different needs in departments, a consistent set of measures was developed to communicate to the City Council and the public.

The initial set of core service measures was presented to City Council in April 2000 and they again asked questions and provided feedback on the draft measures. Those measures were incorporated in the departmental sections of the FY 2000-2001 Operating Budget.

### **4. Identifying Opportunities - *Analyze performance data and use tools of organizational development or managed competition to test and implement service improvements.***

Once the **tools** of alignment and performance measures are in place they **can, and must, be used to continuously analyze demand and results data to improve service delivery**. This is where the significant investment in building a results-based management framework begins to pay off. Although this step appears after "Develop Measures," it is possible to identify opportunities at any point in the process. Throughout implementation of IiR we have been able to identify various opportunities for improvement. Equipped with reliable, useful information about services and performance, departments and City Service Areas (CSAs) have begun to conduct ongoing self-assessments to identify opportunities for improvement. The opportunities have included re-designing processes, evaluating alternatives for providing services, and assessing the competitiveness of the service relative to other providers.

### **5. Manage for Results - *Align all systems to support customer-focused, results-driven decision-making; continually evaluate and plan based on customer input and results data.***

This step represents the manner in which the City of San Jose **uses results to make decisions, to allocate resources, to ensure accountability, and to continually improve**. Changes that have occurred as a result of IiR include changes to management performance evaluations, City Council agendas and referrals, Council decision making and resource allocation, and dedicated employee training and leadership development sessions that focus on IiR and the City's vision of becoming a results-driven, customer-focused organization. Two years of community and employee surveys have established baseline data on how residents and employees view the City and the services that it



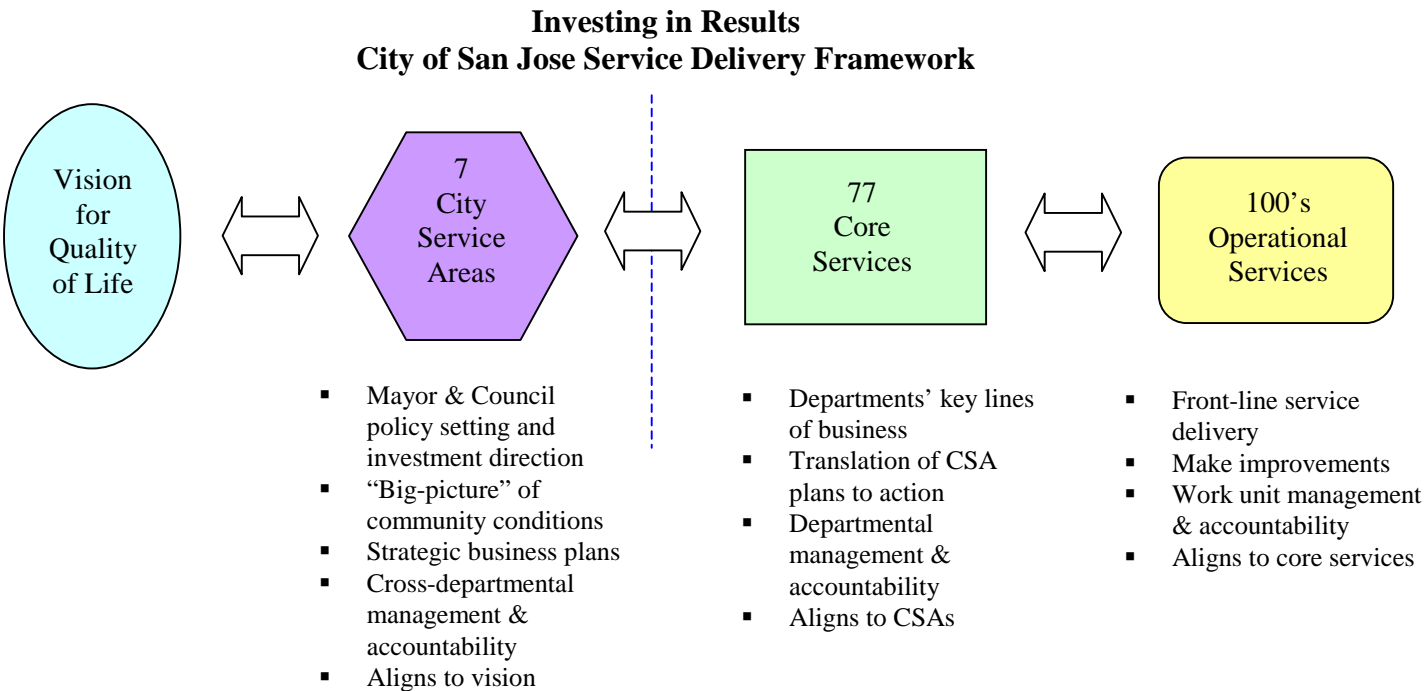
provides. These will be updated every other year going forward in order to keep in touch with changing perceptions and demands.

Evolution of the Service Delivery Framework

It was clear from Council comments made at the first milestone review in the December of 1999 that an organizational level above the departments was desired by them to help align service delivery across the entire organization and to facilitate strategic planning and resource allocation. Staff worked quickly to develop the “Service Group” concept into **City Service Areas** (CSAs) that integrate the like Core Services provided in individual departments into the City’s key lines of business (*Attachment C*).

The seven CSAs are – **Aviation, Economic and Neighborhood Development, Environmental and Utility Services, Public Safety, Recreation and Cultural Services, Transportation, and “Strategic Support”**, which represents the internal functions that enable the other six CSAs to provide services to the community.

The City of San Jose Service Delivery Framework illustrates how CSAs fit into the service model and how they relate to Core and Operational Services. CSAs provide a forum for strategic planning, for setting policies and for making investment decisions. CSAs develop 5-year Business Plans and 1-Year Action Plans that serve as both strategic and tactical responses to the service needs/demands of the community.



A good example of the benefits of this evolution is the Economic and Neighborhood Development CSA. Combining core services from seven departments it has created a single forum to strategically address issues related to the CSA’s three outcomes:

1. Strong Economic Base
2. Diverse Range of Housing Opportunities
3. Safe, Healthy, Attractive and Vital Community

From developer fee supported services to the City's Strong Neighborhood Initiative (SNI) the END CSA has become the focus for service delivery and strategic planning. Senior staff from the Office of Economic Development, Redevelopment Agency and the Convention Center are now in the same room with Planning, Building and Code Enforcement, Fire Code Compliance and Public Works Development Review, and Housing staff to discuss and track the progress of development master plans, plan for changing economic conditions, and coordinate service efforts. Sharing a common set of performance measure data and economic indicators all of the CSA members are better able to realize the CSA's mission of "Managing the growth and change of the City of San Jose in order to create and preserve health neighborhoods, and ensure a diverse range of employment and housing opportunities".

#### Implementation Highlight - Labor Liaison

A key principle of Investing in Results is **employee involvement**. Because front line employees who provide direct service to customers are often most aware of changing customer needs and wants, IiR offers the opportunity for these employees to bring their knowledge and experience to improving results delivered to customers. Also, by being an active participant in developing measures, the employees take ownership of the measures and performance results. San Jose faced a number of challenges in achieving this aspect of IiR:

- ❑ Achieving meaningful involvement of and communication with a significant portion of its 9,000-plus employees in re-examining what services are provided and in measuring performance results and customer satisfaction;
- ❑ Maintaining "buy-in" of front-line employees to ensure their participation and positive contribution to improving service delivery;
- ❑ Successfully communicating and coordinating this significant organizational change with nine individual bargaining groups (Unions);
- ❑ Minimizing the need for grievances or other formal procedures that could delay or inhibit the change process and, ultimately, service delivery.

To bring the employee perspective into the development of IiR, the city asked the City Labor Alliance (CLA), a coalition of the 9 bargaining units in the city, to choose one of its members to be assigned for 6 months to the QUEST Partnership, the central staff developing and supporting the implementation of IiR. This endeavor proved to be so successful that the **permanent position of Labor Liaison** was created. To maintain credibility with the bargaining units and the employees, the Labor Liaison was allowed to maintain her role as a labor leader and also function in that capacity.

Throughout the development, implementation, and practice of Investing in Results, the Labor Liaison has provided a direct communications link with union bargaining groups and the employees they represent. The Labor Liaison ensures that employees from all levels of the organization are included in decision-making teams. IiR's principle of employee involvement calls for cross-functional, multi-level teams to ensure that all participants in the service delivery process are represented.

In addition, the Labor Liaison facilitates **Benefits and Concerns Forums** in all departments. These meetings are a “Safe” place for front line employees without supervisors in the room. Employees are encouraged to attend and given release time for these meetings where they may express their positive observations as well as any concerns about the implementation and ongoing process of IiR. When employees experience difficulties, they are asked to brainstorm about ways to make the process better. At the conclusion of all of the department’s sessions, a report is given to the Department Director. The reports are written to assure confidentiality of the participants. Departments who make changes, based on these reports, have recognized additional buy-in by their employees.

**Communication continues to be the most important tool in maintaining positive employee involvement.** The Labor Liaison regularly meets with the CLA and acts as an ombudsman for Union or employee concerns regarding IiR.

The Labor Liaison position has been critical to the success of the IiR, including the successful implementation of a performance-based budget in the original three-year time frame allotted to the organization. Other liaison successes include:

- ❑ Since it began, no grievances have been filed regarding the implementation or practices of the Investing in Results effort;
- ❑ Potential roadblocks have been avoided because union leaders are participants, alongside employees they represent, in developing performance measures and service delivery improvements;
- ❑ Regularly scheduled meetings between the CLA, City Manager and the Office of Employee Relations keep lines of communication open and address issues before they escalate;
- ❑ The Labor Liaison position has facilitated additional cooperative labor/management ventures including a first-ever employee survey, budget-balancing strategies, and, currently, the development of a Mission and strategic operational plan for San Jose’s new Civic Center.

## **FISCAL IMPACT/COSTS**

**Investing in Results** is funded entirely by the City of San Jose General Fund. Ongoing resources include dedicated staff of 6 positions with a total annual budget of \$695,000. One-time start-up funding of \$650,000 was appropriated in 1999-2000 for anticipated costs of the multi-year phased implementation, including customer surveys, systems evaluation, back-filling of temporary staff loaned to the effort, and limited consulting assistance. In-kind resources contributed to the effort include departmental staff reassigned on a part-time basis from existing duties to implement IiR in each department.

## **RESULTS**

Investing in Results produced significant results for San Jose in these areas:

- ❑ **Strategic Planning and Policy-Making** – IiR provides a structure and a process that facilitate policy development as well as the translation of policy to action in terms of service delivery. Guided by an overarching City vision and based on performance data, seven City Service Areas

(Aviation Services; Economic and Neighborhood Development; Public Safety; Recreation and Cultural Services; Transportation; Environment and Utilities; and Strategic Support) prepare 5-Year Business Plans and 1-Year Action Plans to drive decisions on priorities and resource allocation. Each City Service Area's plan then guides services delivered by the Core Services to their "front-line" customers.

- ❑ **Budgeting** - The Operating Budget was restructured from an organizational focus to a functional, service delivery focus that improves the linkage between resources and results. A balanced set of performance measures (including quality, cost, response time, and customer satisfaction) has been developed for over 75 "Core Services" representing all key customer deliverables. The Government Finance Officers Association (GFOA) has awarded the City its *Distinguished Budget Presentation Award* for its FY 2002-2003 Operating Budget with special performance measure recognition. One reviewer noted that the CSA section "...is unique because in a huge organization like this, the propensity is to be scattered. This section is a product of strategic planning that has integrated all the City services into six key lines of business." The GFOA rated the overall document as "Outstanding" as a policy document and as an operations guide.
- ❑ **Front-line Service Delivery** – LiR has contributed to improved performance and fundamental change in the culture of front-line teams. Landscape crews revised their weekly work schedule - reducing travel time and focusing on preventive activities - to improve landscape appearance and reduce complaints. Street striping crews involved in the Managed Competition Pilot Program utilized **LiR** principles and methods to increase annual production by 34% while achieving cost savings of 6%. Similarly, an employee team in the Environmental Services Department recently recommended efficiencies that will allow reduction of 10 positions for annual savings of \$788,000, while maintaining service levels requested by customers.
- ❑ **City-wide Resident and Employee Surveys** – To provide baseline performance data and evaluate results of service delivery as perceived by San Jose residents, a city-wide resident survey conducted in 2001 showed that 77% of respondents were satisfied or very satisfied with the overall quality of City services. More than 80% of San Jose employees responding to our initial employee survey were satisfied or very satisfied with their job.
- ❑ **Alignment of various processes** with the LiR service delivery framework is occurring on an ongoing basis. City Council agendas are now organized by CSA and Council referrals to staff are tracked and reported on by CSA. The Operating Budget hearings are done by CSA as well, with the appropriate department heads and staff present to answer questions. LiR is now the topic of the first hour of the City's day long New Employee Orientation. New employees are introduced to the City's service delivery philosophy and their role in the providing the highest quality, most cost effective service possible. LiR is also a key element of the City's Leadership and Supervisor Academy, a ten week, forty hour course that includes among other topics four hour sessions on strategic direction and another four hour session on results-driven management skills.

## Implementing IiR in your City

The IiR process is highly replicable and is designed to address the particular needs and barriers of government. Fear of change and perceived lack of capacity were the principal barriers encountered in San Jose. **This type of program must fit into an organization's context, culture and environment.** The IiR framework and process was developed to address and overcome barriers identified for the City of San Jose. For example, San Jose's approach is designed to build forward from previous efforts, learning from them and integrating them into a sustainable system that will not be perceived as another "flavor of the month" management theory.

**IiR focuses on services from an end-result, customer perspective, rather than an organizational perspective.** The customer perspective unifies all employees (labor, management, and policy-makers) toward desired results. This perspective, plus adherence to the four guiding principles, reduces the fear and uncertainty involved in change efforts generally, and performance accountability efforts in particular.

For more information on San Jose's "Investing in Results" service delivery framework and its implementation, please contact the City Manager's Office QUEST Partnership staff. Inquiries may be directed as follows:

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QUEST Partnership Website: [www.ci.san-jose.ca.us/quest/index.htm](http://www.ci.san-jose.ca.us/quest/index.htm)

## **GROUP DISCUSSION**

### **Exercise A:**

Brief directions or scenario to be discussed. This may be further discussed from the podium, but we prefer to provide as much direction as is needed on paper so attendees may re-read the directions as necessary. Exercises may take the form of a list of questions, a role-playing exercise with an entire table or individuals at that table playing parts (e.g., elected officials, managers, department staff, citizens), or problems/scenarios to be worked out. Since the attendees will already be seated at round tables of 8-10, there is no need to direct them to break up in small groups.

1. Text of first question.
2. Text of second question.
3. Text of third question.
4. Text of fourth question. We do not recommend asking too long a list of questions, as this will limit the amount of time for each item. If you do have a longer list, you may want to consider splitting the exercise in two or asking part of the room to deal with the first few questions, and another part to deal with the remainder.

### **Exercise B:**

Instructions for Exercise B. If you have multiple exercises to be done at different times in your case study, please be sure to explain when you start the first exercise where the attendees should stop reading.

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## **ATTACHMENTS**

- A. Investing in Results Employee Guide**
- B. IIR Star with Milestones**
- C. Core Service Rollup to City Service Areas**
- D. Core Service Development Work Plan**
- E. IIR "Align to Mission" Star Guidelines**
- F. Benefits & Concerns Workshops**
- G. Economic & Neighborhood CSA Budget Section**
- H. Parks & Civic Grounds Maintenance Core Service Budget Section**
- I. Technology Customer Support Core Service Budget Section**

# Employee Guide

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## Investing in Results

### What is Investing in Results?

Investing in Results (liR) is San Jose's framework for the delivery of city services. Within this framework, the City invests time, effort and resources in the services and results customers want.

### Vision

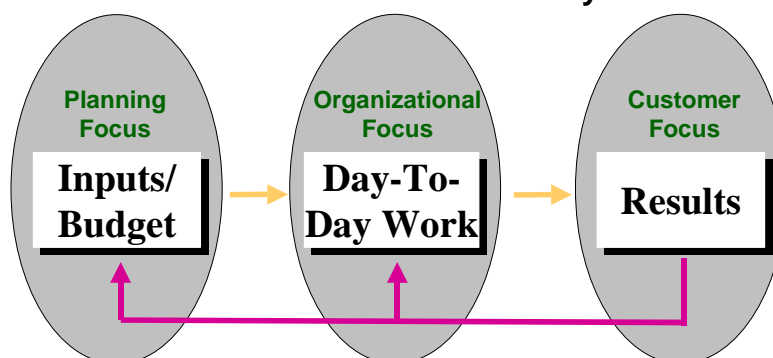
**The City of San Jose is a Customer-Focused, Results-Driven Organization**

### Mission

**To Deliver the Highest Quality Services in the Most Cost-Effective Manner**

- **liR focuses on the results customers want in order to drive decisions** about day-to-day work and the resources necessary to achieve the results. This differs from the traditional approach of focusing on resources to determine the scope and output of day-to-day work that can be accomplished.

### Focused on Customers – Driven by Results



- **liR focuses on services from an end-result, customer perspective, rather than from an organizational perspective.** If the end result a customer wants involves more than one division within a department and/or more than one department within the City, everyone involved in achieving that end result must be collectively responsible for the delivery of the end result – in the highest quality, most cost-effective manner. This differs from the traditional approach of focusing on individual responsibilities within organizational boundaries.



## Investing in Results (Cont'd)

### liR's Guiding Principles

#### Employee Involvement/Partnership

- **liR calls for every employee in the City organization to understand how his/her activities and services contribute to the results customers want and help achieve the department's mission.** liR involves every employee in the City organization in helping to determine how best to deliver his/her services to achieve the desirable results. Every employee becomes more self-sufficient in delivering the right services well. Supervisors and managers focus more on coaching and facilitating rather than on directing and controlling.

#### Meaningful, Useful, Sustainable

- **liR provides a more meaningful way to communicate to customers and stakeholders about the services provided by the City.** The performance measures focus on results, rather than inputs and outputs. The measures reflect what's important to customers (i.e., quality, cycle time, cost and customer satisfaction). liR calls for ongoing feedback from customers to ensure services remain meaningful.
- **liR puts in place a framework to ensure that the City can respond to changing needs on an ongoing basis on both strategic and operational levels.** Employees at all levels use the information to make decisions about how services are delivered on a day-to-day basis. Managers use the information to determine mid- and longer-term direction for service delivery. The City Council uses information at the core service level to make strategic level resource decisions.
- **liR aligns Citywide support systems** (e.g., budgeting, financial management, hiring, compensation, purchasing, training, etc.) **to support results-driven, customer-focused service delivery.** This differs from isolated initiatives that have not included alignment of internal processes and systems and thus have not been sustainable over the long term.

## Investing in Results (Cont'd)

### Commitment, Capacity, Communication

- **liR calls for leadership and involvement at all levels of the organization.** This differs from previous efforts in that liR requires the commitment of **every** senior leader in the City.
- **liR is building capacity within the organization to deliver services customers want and to identify opportunities for improvement.** The liR framework will become the way we operate, rather than be additional work. At the same time, the City as a whole and each department, office and agency is dedicating more capacity to advance the liR framework than called for in previous efforts.
- **The liR framework incorporates timely, numerous and meaningful opportunities for communication with Senior Staff, employees and the City Council.** Senior Staff discuss liR on a weekly basis, Senior Staff communicate directly with all employees at key steps in the process, and front-line employees discuss liR with peers in bargaining groups.

### Learning Before Scorekeeping

- **liR calls for a three-year timeframe for transitioning to a citywide performance-based budgeting format.** As the City puts the measures in place along the way, there are built-in opportunities for feedback and change. liR is a learning experience for everyone – from the front-line workers to the City Council.
- One outcome of liR is performance-based budgeting – tying resources to results. **Even more important is liR's framework for continuous learning about what services the customer wants and about how best to provide the services.**

## The liR “Star”

On the following page, the “star” graphic illustrates the five stages in the implementation of Investing in Results beginning with Prepare the Organization and proceeding clockwise through the sections.

## Investing In Results

San Jose's Partnership for Service Delivery



For further information contact:  
City Manager – QUEST Partnership  
City Hall – Room 450  
(408) 277-2909  
[www.csi.aov/aquest](http://www.csi.aov/aquest)

# Investing in Results

## San Jose's Partnership for Service Delivery

**Milestone 5:**  
Performance-Based Budget  
Completed May 2002

Accomplishments:

- City Service Area Structure: Council Policy Direction, Strategic Planning, Budgeting & Management
- Mid-Term Evaluation
- Service Level Agreements
- Performance Based Appraisals Aligned

**Milestone 4:**  
Goal Setting &  
1 Year of Data -  
Completed November 2001

Accomplishments:

- Process Improvements: General Services  
Environmental Services
- Gain sharing
- Service Assessments

**Milestone 3:**  
Baseline Measure  
Data Collected -  
Completed November 2000

Accomplishments:

- Community Survey
- Employee Survey



**Begin:**  
Council approves  
Investing in Results (IiR)  
April 1999

Accomplishments:

- Benefits & Concerns Forums
- No Union grievances filed
- New Employee Orientation
- Leadership and Supervision Academy

**Milestone 1:**  
Defined Core Services -  
Completed December 1999

Accomplishments:

- Development of City Service Area structure to facilitate cross-departmental cooperation

**Milestone 2:**  
Developed Core  
Service Measures -  
Completed April 2000

# CORE SERVICE ROLLUP TO CITY SERVICE AREAS

ECONOMIC & NEIGHBORHOOD DEVELOPMENT CSA	RECREATION & CULTURAL SERVICES CSA	AVIATION SERVICES CSA	TRANSPORTATION CSA	ENVIRONMENTAL AND UTILITY SERVICES CSA	PUBLIC SAFETY CSA	STRATEGIC SUPPORT CSA			
						EMPLOYEE SERVICES	FINANCE & TECHNOLOGY	CITY FACILITIES AND EQUIPMENT	COUNCIL APPOINTEES
TEAM SPONSOR: JIM HOLGERSSON	JIM HOLGERSSON	TERRY ROBERTS/ ED SHIKADA	JIM HOLGERSSON/ ED SHIKADA	TERRY ROBERTS	MARK LINDER	KAY WINER	KAY WINER	KAY WINER	
TEAM LEADER: PAUL KRUTKO	JANE LIGHT	FRANK KIRKBRIDE	JIM HELMER	CARL MOSHER	BILL LANSDOWNE	ALEX GURZA	WANDZIA GRYCZ	JOSÉ OBREGON	
<b>PBCE</b> <ul style="list-style-type: none"> <li>Community Code Enforcement</li> <li>Development Plan Review and Building Construction Inspection</li> <li>Long Range Land Use Planning</li> </ul> <b>HOUSING</b> <ul style="list-style-type: none"> <li>Increase the Affordable Housing Supply</li> <li>Maintain the Existing Affordable Housing Supply</li> <li>Provide Services to Homeless and At-Risk Population</li> </ul> <b>REDEVELOPMENT</b> <ul style="list-style-type: none"> <li>Promote and Implement Neighborhood Improvement Strategies</li> <li>Initiate and Facilitate Private Development</li> <li>Enhance the Quality and Supply of the City's Housing Stock</li> </ul> <b>CAE</b> <ul style="list-style-type: none"> <li>Convention Facilities</li> </ul> <b>OED</b> <ul style="list-style-type: none"> <li>Business/Job Attraction, Retention, Expansion and Creation</li> <li>Workforce Development</li> </ul> <b>PUBLIC WORKS</b> <ul style="list-style-type: none"> <li>Regulate/Facilitate Private Development</li> </ul> <b>FIRE</b> <ul style="list-style-type: none"> <li>Fire Safety Code Compliance</li> </ul>	<b>PRNS</b> <ul style="list-style-type: none"> <li>Community Strengthening Services</li> <li>Life Enjoyment Services</li> <li>Neighborhood Livability Services</li> </ul> <b>LIBRARY</b> <ul style="list-style-type: none"> <li>Promote Lifelong Learning and Provide Educational Support</li> <li>Provide Access to Information, Library Materials and Digital Resources</li> </ul> <b>CAE</b> <ul style="list-style-type: none"> <li>Arts and Cultural Development</li> <li>Outdoor Special Events</li> </ul> <b>GENERAL SERVICES</b> <ul style="list-style-type: none"> <li>Parks and Civic Grounds Management</li> </ul>	<b>AIRPORT</b> <ul style="list-style-type: none"> <li>Airport Customer Service</li> <li>Airport Environmental Management</li> <li>Community Air Service</li> </ul>	<b>TRANSPORTATION</b> <ul style="list-style-type: none"> <li>Street Landscape Maintenance</li> <li>Parking Services</li> <li>Pavement Maintenance</li> <li>Traffic Maintenance</li> <li>Traffic Operations</li> <li>Transportation Planning</li> </ul> <b>POLICE</b> <ul style="list-style-type: none"> <li>Traffic Safety Services</li> </ul>	<b>ESD</b> <ul style="list-style-type: none"> <li>Manage Recycling and Garbage Services</li> <li>Manage Potable Water</li> <li>Manage Recycled Water</li> <li>Manage Wastewater</li> <li>Manage Urban Runoff Quality</li> <li>Protect Natural and Energy Resources</li> </ul> <b>TRANSPORTATION</b> <ul style="list-style-type: none"> <li>Sanitary Sewer Maintenance</li> <li>Storm Sewer Management</li> </ul>	<b>POLICE</b> <ul style="list-style-type: none"> <li>Crime Prevention and Community Education</li> <li>Investigative Services</li> <li>Regulatory Services</li> <li>Respond to Calls for Service</li> <li>Special Events Services</li> </ul> <b>FIRE</b> <ul style="list-style-type: none"> <li>Emergency Response</li> <li>Fire Prevention</li> </ul> <b>OES</b> <ul style="list-style-type: none"> <li>Emergency Preparedness and Planning</li> <li>Emergency Response and Recovery</li> </ul> <b>IPA</b> <ul style="list-style-type: none"> <li>Independent Police Oversight</li> </ul>	<b>EMPLOYEE SERVICES</b> <ul style="list-style-type: none"> <li>Employment Services</li> <li>Training and Development</li> <li>Employee Benefits</li> <li>Health and Safety</li> </ul> <b>RETIREMENT</b> <ul style="list-style-type: none"> <li>Administer Retirement Plans</li> </ul>	<b>FINANCE</b> <ul style="list-style-type: none"> <li>Financial Management</li> <li>Disbursements</li> <li>Financial Reporting</li> </ul> <b>IT</b> <ul style="list-style-type: none"> <li>Citywide Data Management</li> <li>Technology Customer Support</li> <li>Technology Solutions Consulting</li> <li>Technology Strategic Planning</li> <li>Network and Communication Services</li> </ul> <b>GENERAL SERVICES</b> <ul style="list-style-type: none"> <li>Purchasing</li> <li>Materials Management</li> </ul>	<b>GENERAL SERVICES</b> <ul style="list-style-type: none"> <li>Facilities Management</li> <li>Fleet and Equipment Services</li> </ul> <b>PUBLIC WORKS</b> <ul style="list-style-type: none"> <li>Plan, Design and Construct Public Facilities and Infrastructure</li> <li>Equality Assurance</li> </ul> <b>REDEVELOPMENT</b> <ul style="list-style-type: none"> <li>Initiate and Facilitate Public Facilities and Spaces</li> </ul>	<b>CITY MANAGER</b> <ul style="list-style-type: none"> <li>Analyze, Develop and Recommend Public Policy</li> <li>Lead and Advance the Organization</li> <li>Manage and Coordinate Citywide Service Delivery</li> </ul> <b>ATTORNEY</b> <ul style="list-style-type: none"> <li>Legal Transactions</li> <li>Legal Representation</li> </ul> <b>AUDITOR</b> <ul style="list-style-type: none"> <li>Audit Services</li> </ul> <b>CLERK</b> <ul style="list-style-type: none"> <li>Facilitate the City's Legislative Process</li> </ul> <b>IPA</b> <ul style="list-style-type: none"> <li>Core Service aligns to Public Safety CSA</li> </ul> <b>REDEVELOPMENT</b> <ul style="list-style-type: none"> <li>Core Services align to END and CF&amp;E CSAs</li> </ul>

**Investing in Results – *San Jose's Partnership for Service Delivery***  
**Implementation Process**  
**Prepare the Organization, Alignment and Performance Measures**

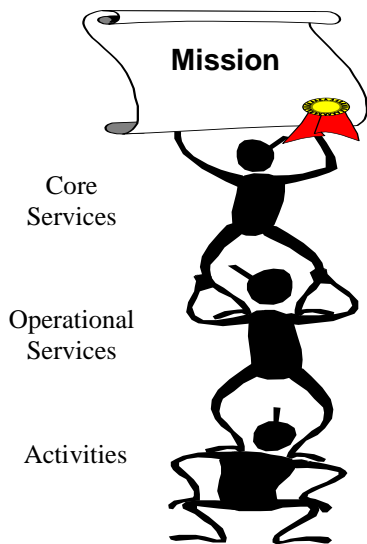
<b>Star Section</b>	<b>Step</b>	<b>Who</b>	<b>Purpose</b>	<b>Products</b>
<b>Prepare the Organization</b>  <b>Estimated Time Required: 3-4 weeks</b>	1. Coaches and Facilitators Meet	Coaches and Dept. facilitators	Build rapport	<ul style="list-style-type: none"> <li>Working relationship</li> </ul>
	2. Initial Meetings	Department Director, Facilitator, Coach, Labor Liaison	Set the broad context	<ul style="list-style-type: none"> <li>Understanding Needs, Roles, Responsibilities</li> <li>Understanding of Application of Key Principles</li> </ul>
	3. Meet with Department Implementation Team	Department Director, Facilitator, Team, Coach, Labor Liaison,	Set the broad context	<ul style="list-style-type: none"> <li>Clarify their role as support for implementation and sounding board, not decision-making</li> <li>Commitment</li> <li>Understanding of dept. implementation needs</li> </ul>
	4. Department Kick-Off	Entire department	Inform and Clarify	<ul style="list-style-type: none"> <li>Staff understanding of roll out schedule and of their involvement</li> </ul>
	5. Phase I: Benefits and Concerns Workshops	Line Staff and Labor Liaison, Labor Leaders	Obtain Employee Understanding	<ul style="list-style-type: none"> <li>List of Benefits and Concerns (to Support Team)</li> </ul>

Star Section	Step	Who	Purpose	Products
<b>Align to Mission</b>  <b>Est. Time Required: 4-6 weeks</b>	6. Core Services Workshop (2-3 days)	Mandatory for Management, also include Key Functional Players, Facilitator, Coach <b>NOTE: Key Functional Players are a multi-level group, are knowledgeable of services, have peer respect &amp; include front-line</b>	Determine if we're doing the right things	<ul style="list-style-type: none"> <li>Draft list of Core Services and definitions; validation of Core Services</li> <li>First round of training on how to develop PMs</li> <li>Customer feedback on Core Services</li> </ul>
	7. Mission Alignment Workshop (2-3 days)	Department Director, Sr. Managers, Facilitator, Coach	Determine if we're doing the right things	<ul style="list-style-type: none"> <li>Final Dept. Mission Statement</li> <li>Final definitions and lists of Core Services</li> <li>Aligned Mission and Core Services</li> </ul>
	8. Report Back to Department Support Team, Key Functional Players	Mandatory for Management, Key Functional Players, Coach, Facilitator	Lead and Re-Involve	<ul style="list-style-type: none"> <li>Acceptance &amp; Commitment to Mission and Core Services</li> </ul>
	9. Department-wide Update	Entire Department	Inform and Inspire	<ul style="list-style-type: none"> <li>Acceptance &amp; Commitment to Mission and Core Services</li> <li>Understanding of next steps</li> </ul>
	10. Phase II: Benefits and Concerns	Labor Groups, Labor Liaison, Internal Labor Support Team Member(s)	Employee Involvement; build commitment	<ul style="list-style-type: none"> <li>List of Benefits and Concerns (to Support Team)</li> <li>❖ <b>Milestone 1: Core Services developed by November '99</b></li> </ul>

<b>Star Section</b>	<b>Step</b>	<b>Who</b>	<b>Purpose</b>	<b>Products</b>
<b>Develop PMs</b>    <b>Time required depends on size</b>    <b>[This phase includes operational roll-out to entire organization]</b>	11. Core Service Performance Measure Workshop	Core Service Owners	Determine measures to manage and communicate	<ul style="list-style-type: none"> <li>PMs for Core Services</li> <li>❖ <b>Milestone 2: Performance Measures for Core Services by March 2000</b></li> </ul>
	12. Core Service Performance Measure Validation	Same attendees as Mission Alignment Workshop	Review, test, and validate PMs for Core Services	<ul style="list-style-type: none"> <li>Revised and/or Validated PMs for Core Services</li> </ul>
	13. Department Training	Appropriate trainers per roll-out schedule, facilitator, coach	Building Capacity	<ul style="list-style-type: none"> <li>Ability to facilitate development of services, their definitions, purpose statements &amp; PMs throughout operational roll-out</li> </ul>
	14. Operational Roll Out	Appropriate groups per roll-out schedule, facilitator, coach as requested	Fully Aligned Department	<ul style="list-style-type: none"> <li>Services &amp; definitions, purpose statements and PMs aligned with a core services and department mission</li> </ul>
	15. Customer Feedback	Managers and Service Delivery Staff and Customers	Stakeholder involvement	<ul style="list-style-type: none"> <li>Customer feedback on performance measures</li> </ul>
	16. Phase III: Benefits and Concerns	Various Labor Groups, Labor Liaison, Internal Labor Support Team Member(s)	Employee Involvement; build commitment	<ul style="list-style-type: none"> <li>List of Benefits and Concerns to Implementation Team</li> </ul>



## Align to Mission



**Purpose:** The purpose of Alignment is to make sure that an organization's activities and services accomplish its mission.

### Key Concepts:

- ❖ Alignment helps an organization answer the question, "Are we doing the right things?"
- ❖ The "right" things or core services deliver what customers want.
- ❖ The successful delivery of core services achieves the mission; likewise, all activities and operational services enable the delivery of core services.

### What is it?

Alignment is a process that engages the entire organization around a few key questions: who are our customers and what services do they want? What services are we currently providing? What is our existing mission? Do we need to do anything differently to ensure that our core services meet customer needs and accomplish our mission?



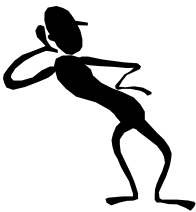
During the process of answering these questions an organization may discover that some of its services do not reflect the customers needs or are outside the scope of the mission. The process is designed to involve staff in clarifying what the organization does, rethinking its purpose and making adjustments when necessary. Alignment ensures that what we do gets us to where we want to go.

## Benefits and Concerns Workshops Principles and Practices

### The Basics

#### Who?

B & C Workshops will be provided for all front-line employees throughout implementation of Investing in Results (IIR). The workshops will not include supervisors or managers. Separate workshops will be conducted for supervisors and/or managers upon request. The Labor Liaison will work with the Facilitator to determine the strategy for conducting the B & C's, including determining the composition of and scheduling for the workshops. The Labor Liaison may work with labor leaders/representatives within the department to refine the strategy. Labor representatives associated with relevant bargaining groups may attend B & C's in another department. The City Manager has approved release time for designated labor representatives for this purpose.



#### When?

In general, workshops will be held after departmental kick-off(s) (Phase I); after the department-wide update on mission, service groups, and core services (Phase II); and during or after the development of performance measures at the operational level (Phase III).

### Attendance

Attendance of front-line employees at B & C Workshops (through Phase III) is required. This requirement ensures that employees will feel free to attend the workshops, without concern that supervisors may not want them to go. The Director should announce the

opportunity for B & C workshops at the kick-off meeting, letting everyone know that attendance is required and that supervisors should ensure that employees are able to attend. The Labor Liaison will provide her/his contact information at the kick-off meeting so those employees unable to attend the workshops due to absences or unchangeable scheduling conflicts will be able to contact the Labor Liaison individually. The Facilitator should ensure that employees unable to attend the kick-off have this information, as well.

## **Reporting**

Confidentiality will be maintained in all verbal and written reports throughout the B & C process.

### Records

The Labor Liaison will keep records of all B & C's. Such records will include all relevant questions asked and comments made and completed evaluation forms. Names of participants will not be recorded.

### Departmental Summaries

A departmental summary will be prepared following each phase. The departmental summary will be provided to the Coach, Facilitator, Implementation Team and Director.

The summary will include observations of the following:

- Awareness and understanding of IIR in general, and specific elements in Phase II and Phase III as appropriate.
- General regard for and feelings about IIR.
- Specific concerns about IIR and/or departmental implementation.
- Suggestions/ideas to enhance implementation.
- Summary of workshop evaluations.

The summary will also include recommendations and any actions taken to date.

### City Summaries

A citywide summary will be prepared following each phase, summarizing the above-noted observations,

recommendations and actions taken. The citywide summary will be provided to the City Manager.

## **Recommendations and Actions**

### Debrief and Updates

Following each B & C, the Labor Liaison will debrief with other labor leaders attending the workshop to compare observations. Notes from the workshop will be prepared to serve as a record of the session and to provide input into the departmental summary.

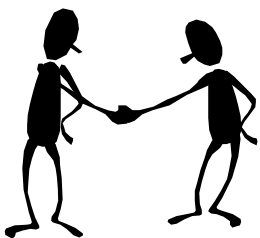
At the weekly Coaches Team meeting, the Labor Liaison will share key concerns and ideas arising at the B & C's for purposes of general learning and/or issue resolution. Following the completion of the each phase of B & Cs, the Labor Liaison will debrief the full City Labor Alliance on employees' concerns and ideas and follow-up actions.

### Follow-Up

The Labor Liaison should share any immediate concerns and/or suggestions with the Coach and/or Facilitator. If concerns do not require immediate attention, the Labor Liaison may wait until all departmental B & C's for a particular phase are completed to meet with the Coach and Facilitator. The Labor Liaison, Coach and Facilitator will determine any action to be taken. Depending on the issue, it may be taken to the Implementation Team, Director, IIR Team Leader, and/or IIR Sponsor to address.

### Employee Feedback

The B & C process will include a feedback loop for employees. For issues/questions affecting individuals, the Labor Liaison will communicate the response directly to the affected individual. For other issues/questions affecting groups of employees, the Labor Liaison will provide feedback to the employees at a subsequent B & C



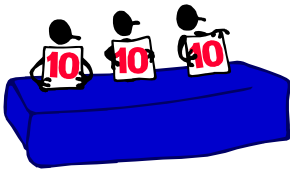
or sooner, if necessary, through other available means of communication.

## **Evaluation and Refinement**

### Workshop Evaluations

The Labor Liaison will request workshop evaluations from all participants at the end of each workshop and will include a summary of the workshop evaluations in the departmental and the citywide reports.

Beginning with Phase I I , the workshop evaluations will also include a question about how to make the workshops more effective and/or how to provide other opportunities for employee input.



### Focus Groups

The Labor Liaison will also assemble a focus group of a cross-section of front-line employees attending the workshops and a focus group of Coaches, Facilitators and/or Directors to provide feedback and input on the effectiveness of the workshops and other employee input mechanisms.

### Refinement

After all Phase I I I B & C's have been conducted, the Coaches Team will revisit the B & C workshop principles and practices and make any necessary adjustments based on the findings of the evaluations and focus groups.

One of the benefits of alignment is that people see how what they do on a day-to-day basis really counts toward accomplishing the department mission.

Kevin O'Connor  
Electrical Superintendant  
Streets and Traffic

## Benefits of Alignment

Here's a summary from those who have been through the process. Alignment results in:

- ❖ Revitalization of the group's mission
- ❖ Clarity on Core Services and how they achieve the Mission
- ❖ Clarity on how each individual's efforts contribute to accomplish the mission
- ❖ Potential discovery of organizational capacity as the groups examine services and determine that some may not necessarily belong or may need to be changed
- ❖ Much greater focus on what customers want

## How do we do it?

### CORE SERVICES WORKSHOP:

- Draft list of Core Services & their definitions
- Validation of Core Services with key questions

**TIP:** In developing the list of core services it may be helpful to remember the customers. A simple listing of the customers is one way.

Another is to use the customer matrix. The customer matrix helps the group to see its internal and external, as well as direct and indirect customers. Use of the customer-supplier model shows the group that they play both roles and that experience in one role informs the other.

Before this meeting, the coach, the facilitator, and the Department Director should meet to review the agenda of the meeting.

1. Convene a meeting with people in the organization who understand the business of the organization and are seen as leaders, i.e., the key functional players. This group should include key front-line employees. The number of attendees should not be more than 15 per facilitator to keep the meeting manageable. Ask another facilitator or coach for assistance if there are more than 15 people. You will also need a few designated scribes. The senior leaders of the organization and department support team members should attend the meeting.
2. Explain the ALIGN TO MISSION (Attachment 1) model to the group and the terminology. Emphasize the description under WHAT IS A CORE SERVICE (Attachment 2) to make sure the group understands this concept.

### Lessons Learned

Staff feels an intrinsic need to see what they do, their project, reflected in the core services. Core services are not the specific projects accomplished within the organization. Core Services tend to be broader and encompass a number of "projects" or "programs."

"It's the collective management of services at the core service level that translates the long-term direction of the organization into improvements in service delivery."

Craig Holt  
Managing Total  
Performance, Inc.

3. Ask the group to brainstorm for 10 minutes to **identify all services** they think the organization is providing. Use appropriate brainstorming methods by choosing one the following:

- **Silent Brainstorming:** Write their ideas on post-it notes in silence for 5 minutes and pass them to the facilitator. The facilitator reads the ideas out loud before posting them on the board to stimulate other ideas.
- **Small Group Brainstorming:** Have the participants count off to form small groups of not more than six or seven. Have them brainstorm together and come up with a list of ideas. As groups report out, only new ideas are added to the list. This minimizes duplication and reporting time.
- **Round Robin Brainstorming:** Start with a person on your left or right and ask them to say out loud their idea. The facilitator records the idea on the post-it notes before posting it on the board, then asks the next person to continue. If this person does not have any **new** idea, then just says pass. Go around the room twice to complete the round robin. After that, stop and ask the group if they have any new ideas that are not captured on the board. Write new ideas on post-it notes, and then post them on the board.
- **Random Brainstorming:** Any person can say his/her idea out loud. The facilitator writes the idea on a post-it note before posting it on the board. Ask the group to slow down to allow the facilitator to catch up if necessary. Continue until there are no more new ideas.

4. Review each idea posted on the board against the description of WHAT IS A SERVICE? Ask the group if the idea fits the description. Separate ideas into two groups, one for Yes and one for No, and put the Maybe's into the Issue Bin.

### Customer Feedback

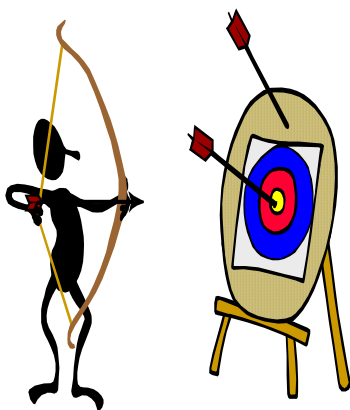
This is the time to do a check-in with internal customers or logical outside customers to verify that the core services you have identified are those that your customers want from you.

5. Now take some time to **define the services**. Descriptions can be brief and it's helpful to put them in terms that a customer (resident, council, etc.) could understand. Have the service owners come up with the descriptions and then test them against the rest of those present to see the descriptions are clear.
6. Create a **draft list of core services**. A core service is a collection of services that serve a similar, higher purpose. Core services can be used for budgeting purposes or to show how the department could be organized. One way to get there is to ask, "Why do we perform this service?" This will get to the underlying service that is being delivered and will bring out some natural groupings. Core services provide a higher level view of the services the department provides.
7. As you proceed with the Core services, each one must be defined. Take a few moments with the group to define each core service.
8. At this time, the meeting should be concluded. Explain the next steps and thank the participants

### **MISSION ALIGNMENT MEETING OR WORKSHOP WITH SENIOR DEPARTMENT MANAGERS**

#### **Purpose of the Meeting or Workshop:**

**To develop the contents of the Alignment Model by clarifying the mission and core services of the department**



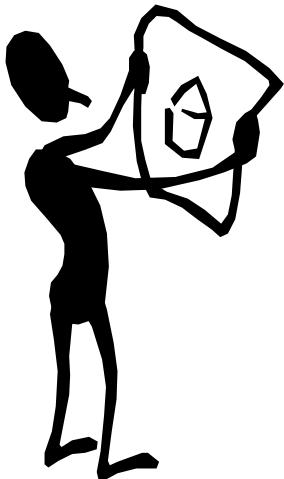
1. Convene a meeting or workshop with the senior managers of the department to clarify the mission, and core services of the department. Review the purpose of the workshop with the group.
2. Begin by reviewing and clarifying the draft list of core services and their definitions identified in the previous workshop (including those in the issue bin.)



Keep in Mind

Refining the mission is a messy process. It's challenging and takes time. These questions may help at tough spots:

1. When the mission contains unclear language, ask, "What is your unique contribution to this, (i.e., the vague part)?" This may drive out more precise language.
2. Or, "What bad will happen if this service or section doesn't happen?" This will also clarify purpose and service definition.



3. Ask the following questions to determine whether the core service is aligned with the mission:
  - What does this core service do? A description of each core service and desired results should be clarified at this point.
  - What bad thing happens if the service is not provided?
  - Is this service critical for achieving the mission?
  - Is our department the right one to provide this service? Do we have the expertise? Does it make sense for us to provide it?
  - Where would a customer look to find this service?
4. Separate the core services into two groups, one potentially aligned with the mission, one potentially not aligned. Put the maybe's into the issue bin.
5. Next, distribute the department's mission statement and review the definition/purpose of a mission statement:

The mission statement should:

- ✓ Briefly state WHY the organization exists
- ✓ Highlight the unique contribution of the organization
- ✓ Unify the Core Services
- ✓ Be memorable – folks should be able to recite it from memory

The Mission statement should NOT:

- ✓ Be a laundry list of everything that the group does
- ✓ Be so general as to work for any department
- ✓ Contain language that is indirect or unclear to the group or its customers
- ✓ If a group wants to add, "effective, efficient," etc., they can – it's up to them, but the assumption is that everyone performs their services in an effective and efficient manner.

6. Facilitate a general discussion around the mission statement. What do people like and/or dislike about it? Summarize the group's input.

TIP: Different departments may provide similar services in some cases. At times this crossover may be acknowledged and deliberate. At other times it may highlight an opportunity for horizontal alignment.

7. Next, double-check the alignment by testing the mission statement against the core services. Do they align?
  - ✓ Ask, “Does this core service contribute to accomplishing the mission? Can you see how this core service contributes substantially to the mission?” Ask this question for every core service to see if they align.
  - ✓ At the same time, approach the alignment using this question as needed, “As you look at the mission, does the mission include the core service of \_\_\_\_\_?” Ask this question for every core service to see if the mission statement is inclusive of them all.
  - ✓ Select a “random” core service from another department and see if it could roll up into the mission. If possible, try to pick a department that delivers services similar to yours. If the other core service does roll up then the mission may be too general, or it may show that the two departments are providing similar services. (Examples of other department core services: Pavement Maintenance, Building Repair and Maintenance, Youth Services).
8. You may discover that most services align but that some do not. For those that do not align, you may agree that they are unique and useful and should remain in the department. Others that do not align may be better provided by another entity. It may not make sense for some to be provided by the City at all. This discussion is critical to the alignment process. Facilitate as many ideas as possible. Ask the group to recognize that this is a critical but also challenging conversation to have due to the emotional and political issues involved.
9. After careful consideration, adjust the mission statement and list of core services as needed.
10. Write the department’s mission and core services onto stickies and place them into appropriate places on the

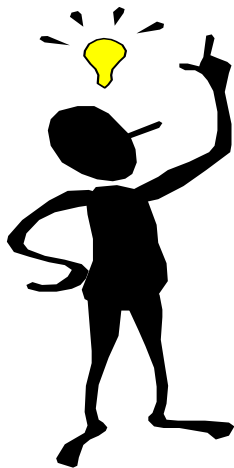
alignment model (draw the model on flipchart paper). Ask the group if the model makes sense to them.

11. At this time, the meeting should be concluded. Explain the next steps and thank the participants.

### **REPORT BACK to DEPARTMENT IMPLEMENTATION TEAM and KEY FUNCTIONAL PLAYERS**

#### **Purpose of the Meeting:**

To complete the model by obtaining feedback from the department implementation team and key FUNCTIONAL PLAYERS in the department. These are the same staff that attended the Core Services Workshop.



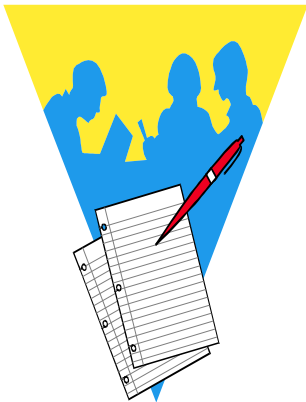
1. Explain that the purpose of the meeting is to obtain their feedback. Present the first draft of the alignment model to the Department Implementation Team and key functional players and explain how the model came together. Ask for their feedback.
2. Revise the contents of the model if necessary.
3. Assign the further development of the department's model to appropriate staff. Assign the development of performance measures for core services to managers and staff who are responsible for delivering that core service.
4. Breakdown the core services into operational services (if that is determined to be necessary) and have core service managers assign the development of purpose statements, service definitions and performance measures for the operational services to the appropriate staff with appropriate assistance from department facilitators.
5. Schedule a follow-up meeting. The Department Implementation Team in the beginning should meet once a week or every two weeks.
6. Acknowledge that if any changes are to be made to the model based on the group's feedback, the changes will be made before the department-wide update.



## DEPARTMENTWIDE UPDATE

### Purpose of the Meeting:

To inform the entire department about the alignment model as it has taken shape in the department. The update should cover the contents of the model: the department mission and core services. The next steps for the operational roll out should also be outlined and discussed so employees understand their participation.



## PHASE II BENEFITS AND CONCERNS

The Labor Liaison and the department labor representative on the Implementation Team and appropriate labor leaders will hold Benefits and Concerns Workshops for department employees. Employee feedback on the Alignment model and their role in developing the model further for their respective work groups will be gathered. The feedback may be shared, as appropriate, with the Implementation Team, the department facilitator and/or the department head and the Citywide Steering Team.

## **ATTACHMENT 2**

### **What Is a Core Service?**

- Recognizable as a need by customers
- Customers value and care about the service
- Deliverable products or services to customers
- Has identifiable customers
- First place to develop a balance set of measures
- Clear communication tool to the City Council and the public
- Critical for achieving the mission
- Is unique to the department
- “Nests-up” to a City Service Area
- Can be found in the Yellow Pages
- Is billable, countable

### **What Is an Activity?**

- Actions needed to be done to provide service
- A lowest level at which time and labor cost information are collected for Activity Based Costing

# Economic & Neighborhood Development



## *Primary Partners*

Conventions, Arts & Entertainment

Fire

Housing

Office of Economic Development

Planning, Building & Code  
Enforcement

Public Works

Redevelopment Agency

***Mission:*** To manage the growth and change of the City of San Jose in order to create and preserve healthy neighborhoods, and ensure a diverse range of employment and housing opportunities.

The creation and maintenance of a vibrant community with opportunities for all requires a healthy business climate, affordable housing, and strong neighborhoods with a good quality of life. As San Jose continues to grow, the City is changing from a primarily suburban landscape into a rich collection of unique neighborhoods and job centers with opportunities for more urban, mixed use development in appropriate locations, such as the Downtown area and transit corridors. Directing growth within the Greenline/Urban Growth Boundary helps to protect the City's natural assets such as hillsides and baylands. While the economic downturn that began in 2001 has slowed anticipated levels of growth, overall projections for the region, and San Jose in particular, remain strong.

Even in the current budgetary climate, the City remains committed to maintaining a strong economic base, providing a diverse range of housing opportunities, and maintaining a safe, healthy, attractive, and vital community. Silicon Valley's economic situation has created challenges in each of these three areas.

The Economic and Neighborhood Development CSA's priorities have not changed significantly since the 2001-2002 budget process ended, but the economic environment in which the CSA partners are pursuing these goals has changed substantially. In 2002-2003, Strong Neighborhoods Initiative Plan implementation will proceed in an atmosphere of more limited resources. Promoting the creation of new housing units – affordable or market rate – has become more challenging as developers are hesitant to initiate new projects during an economic downturn. Implementation of the Downtown Strategy Plan has slowed for the same reason.

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## CSA OUTCOMES

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- Strong economic base
- Diverse range of housing opportunities
- Safe, healthy, attractive and vital community

# Investment Strategy

## Outcome 1: Strong Economic Base

The City is committed to the retention of existing jobs and the attraction of new businesses to San Jose through a variety of means. The City is fostering continued economic growth in San Jose by supporting both large and small enterprises. Significant investment in public infrastructure to support job growth remains a priority. The economic downturn experienced in 2001 has slowed anticipated levels of growth, but overall projections for the region and San Jose in particular remain strong. Development in Edenvale is close to targeted levels, 1.7 M sq. ft. of a 1.8 M sq. ft. target. Rincon achieved 400,000 sq. ft. of a 1.5 M sq. ft. goal. In Coyote Valley, key public/private infrastructure projects will move forward modestly over the next 5-year period. The Downtown realized 400,000 sq. ft. of a 600,000 sq. ft. target. While new office space was brought online, many buildings remain vacant, as demonstrated on the chart below. The vacant space inventory is expected to take approximately two years to absorb, inhibiting new office construction during that time.

## Outcome 2: Diverse Range of Housing Opportunities

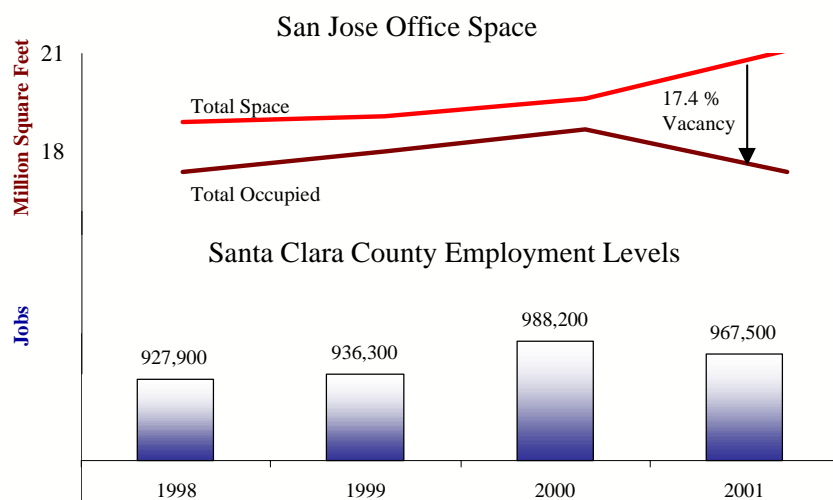
Addressing housing issues remains a high priority for this CSA. The main funding source

for affordable housing development is the 20% Low and Moderate Housing Fund. Currently, tax increment revenue to this fund has substantially increased and may not be impacted by the economic downturn for a few years. Funding in this budget supports major efforts within the City – Strong Neighborhoods Initiative, Extremely-Low Income Housing Initiative, Increase Affordable Housing Production, Housing Opportunity Study, and processing General Plan amendments three times per year – with additional funding from the Redevelopment Agency and redeployment of existing staff in this and other CSAs.

## Outcome 3: Safe, Healthy, Attractive and Vital Community

The most dramatic impact of the economic downturn has been experienced in development services. A year ago, the challenge was staffing up to meet the huge demand for services. Now, revenue has fallen off nearly 30% in some programs. With a net \$13 million shortfall of revenue to base costs, the challenge in development services is to continue to improve service, retain trained staff, and address the underlying imbalance of current fees to the cost of service. This CSA is addressing the challenge with a variety of strategies – staff reductions, redeployment, and fee adjustments.

Outside of development services, the Economic and Neighborhood Development CSA is redeploying resources to meet the service demands associated with the implementation of Strong Neighborhoods Initiative plans. These efforts contribute to a safe, healthy, attractive and vital community by revitalizing and strengthening neighborhoods that have struggled to overcome past problems.



Source: Employment Development Department, Colliers International



# Performance by Outcome

## Outcome 1: Strong economic base

### Outcome 1: Strong Economic Base

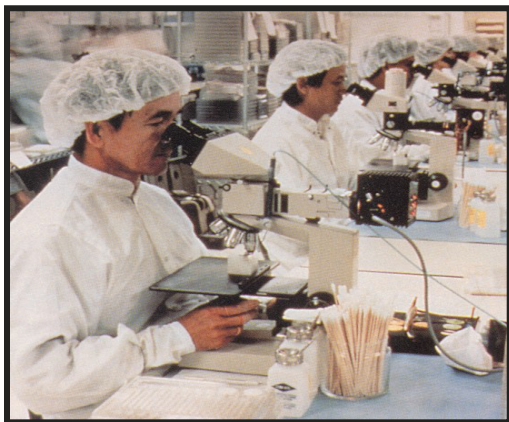
5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>A. ATTRACT, RETAIN AND EXPAND BUSINESS</b>					
1. Facilitate Major Corporate Development (Focus in Downtown and S. San Jose)	1. Square footage built in Coyote Valley (and estimated # of jobs)	1M sq. ft. in Coyote (est. 3,300 jobs)	Establish On-site Satellite Construction Office	0	0
	2. Additional square footage built in Edenvale (and estimated # of jobs)	4M sq. ft. in Edenvale (est. 13,300 jobs)	1.8M sq. ft.	1.7M sq. ft.	1M sq.ft.
	3. Additional private square footage built in Downtown (and estimated # of jobs)	2M sq. ft. in Downtown (est. 6,700 jobs)	600,000 sq. ft.	400,000 sq. ft.	610,000 sq. ft.
	4. Additional square footage built in Rincon (and estimated # of jobs)	2M sq. ft. in Rincon (est. 5,400 jobs)	1.5M sq. ft.	400,000 sq. ft.	600,000 ft

### Major Corporate Development

Attracting and retaining corporate development is a major priority. Recent studies point to San Jose's continuing leadership in innovation and productivity, beyond any competing area in the nation. The seeds of new business clusters are all present in the skills of area workers and in the knowledge base of emerging and existing companies. The concept of convergence of technology is taking root, with sectors such as information technology and biotech becoming integrally linked. This will further enhance the area's strong competitive advantage. The City will recruit emerging and growth industries and work to retain diverse companies to provide a broad base of jobs and skills. Development of a strategy to target and attract the bioscience industry is underway. The goals are to create a bioscience cluster in San Jose, to attract and provide assistance to emerging companies, and to promote San Jose's industrial parks as ideal sites.

### Convention Facilities

A second key objective in supporting the



business community is to satisfy the demand for convention, meeting, event and visitor services, primarily at the Convention Center. Key action items to accomplish this include improving customer service and increasing revenues from convention facilities, increasing facility use, delegate spending and hotel room nights. The economic environment has resulted in a downsizing of conventions and trade shows and a drop in short-term business such as banquets, meetings and holiday parties. Consequently, there is a negative impact on reaching targeted performance measures. Nevertheless, strong efforts to attract and retain business continue. Strategies include exploring markets outside the technology arena to broaden and diversify the client base. Contemporary revenue generating options such as retail kiosks are under consideration. Focus groups will be formed to consider an exclusive in-house electrical services program to increase revenue as well as service to clients. Safety is a universal priority and efforts continue to tighten building security. Continual striving to be even more energy efficient in the convention facilities will further reduce energy costs and usage.

### New Retail Development

The growth of retail development is critical for the continued health and growth of San Jose's economy. Interest in San Jose retail remains strong. Valley Fair recently completed its



# Performance by Outcome

## Outcome 1: Strong economic base (Cont'd)

second phase of expansion and the mall continues to produce over \$600 per square foot in revenues. The first phase of Santana Row is anticipated to be open in the fall of 2002.

Oakridge Mall is on target to complete extensive renovations by December 2003.

Macy's at Oakridge is proceeding with a 70,000 square foot expansion to be completed by December 2002. In addition, the owners of Eastridge are moving forward with development plans for a major renovation of the mall.

Many other significant retailers have opened or are pursuing new sites in San Jose. Home Depot, Best Buy and Home Expo recently opened major stores. Several auto dealerships are expanding such as Honda Stevens Creek, Toyota Stevens Creek, Anderson/Behel Porsche Audi and Volkswagen Stevens Creek. Courtesy Chevrolet recently opened its new location on Stevens Creek. A new Mercedes dealership broke ground at Capitol and Tully. Retailers new to our area, such as Lowe's Home Improvement, are actively pursuing locations in San Jose.

Downtown retail development has been set

back by the recent economic downturn. Strong efforts continue to bring retail development to downtown over the 5-year time frame. Several projects such as the Fairmont Annex, the Marriott Hotel, the Twohy Building, the Montgomery Hotel, and the Opus project are either completed or underway. While the physical space may be complete, most of the retail areas of these projects are vacant.

The strong interest in San Jose's retail markets will keep the City on target to make its one-year goal of adding \$1 million in sales tax. At the current pace, the City should also meet the 5-year, \$5 million goal in new sales tax.

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
2. Satisfy demand for convention, meeting, event, and visitor needs	1. Amount of tax revenue generated by \$1 of operational expenditures	\$2.26	\$2.13	\$1.57	\$1.73
	2. Annual daily occupancy of convention facilities.	94%	92%	81%	82%
	3. Annual delegate spending (est.)	\$198M	\$ 163M	\$110M	\$140M
	4. Delegate Hotel/Room nights (est.)	227,000	181,500	100,000	125,000
	5. % of convention facilities operating expenses recovered from earned operating revenue (excluding TOT)	85%	80%	62%	68%
3. Facilitate Retail Development in the Downtown	1. New retail space in downtown areas.	150,000 sq. ft.	N/A	40,000 sq. ft.	26,250 sq. ft.
	2. # of new hotel rooms constructed in the Downtown area.	1,163	264	264	506
4. Facilitate Major Sales Tax Generators	1. Increase in sales tax from businesses receiving assistance from the City.	\$5M in new sales tax generated	\$1M in new sales tax generated	\$1M in new sales tax generated	\$1M in new sales tax generated

# Performance by Outcome

## Outcome 1: Strong economic base (Cont'd)

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
5. Intensify Commercial and Industrial Land Use	1. Increase in Floor Area Ratio of approved development within the intensification corridors of the General Plan	10%	5%	5%	5%
6. Retain Supply of Industrial Suppliers Jobs and Land Uses	1. Retention of existing land with "heavy industrial" General Plan designation	1,500 acres	1,700 acres	1,710 acres	1,650 acres
7. Facilitate Small Business Expansion	1. Funding made available to small businesses	\$5M	\$1M	\$1.35M	\$1 M
<b>B. STRENGTHEN WORKFORCE</b>					
1. Be Active Partner in Developing a Skilled Workforce	1. % of Workforce Investment Act (WIA) clients employed one calendar year after initial placement				
	- Adults	Goals set	74%	75%	74%
	- Dislocated Workers	annually by	81%	83%	84%
	- Youth	State of CA	70%	70%	76%
	2. % of Networking Academy Students employed after certification	70%	70%	40%	70%

## Mayor's 10-Point Plan

The Mayor proposed a 10-point economic plan to address the current economic downturn and foster continued economic growth for San Jose companies. The plan was developed in partnership with the business community and seeks to enhance existing programs and add services. The plan includes initiatives that support both large and small enterprises. Highlights of plan initiatives include:

- **Small Business Development** – ensure that small businesses participate in City construction contracts.
- **Federal Tax Credits** – aggressively seek federal tax credits designed to stimulate growth in urban areas.
- **Plan Check Fee Deferral, Suspension of Construction-Related Taxes, Permit Fee Payment Plans, and Streamlined Plan Checking** - encourage and expedite leasing activities as the economy turns more favorable.
- **City Lending Programs** - improve delivery, enabling small business to have increased access to capital and better technical assistance.

- **Enterprise Zone** - Increase marketing to allow more companies to benefit from the significant tax credits the Zone offers.
- **Emerging Life Sciences and Biotech Industries** - Concerted effort to recruit and retain biotech companies to support growth in this significant sector.

## Workforce Development

The tenth point of the Mayor's plan is the development of a strong workforce. It is vital that residents are employed in jobs that pay enough in order to live in the City. Benefits include a local supply of skilled workers required by San Jose companies, reduced dependence on welfare and other social programs, and reduced crime rates. The City's workforce development program assists both residents who are eager for well-paying employment with career growth potential, and businesses seeking qualified employees. Last year, adult clients earned an average of \$5,500 more after they participated in the program.

# Performance by Outcome

## Outcome 2: Diverse range of housing opportunities

### Diverse Range of Housing Opportunities

The City of San Jose is the leader in providing housing in Silicon Valley. While neighboring cities have sought to bring in job-producing uses, San Jose has worked to ensure that its workers have places to both work and to live. In addition, the City is a regional leader in providing affordable housing opportunities for its residents. Since 1988, more than 8,200 new units of affordable housing have been constructed, an additional 2,000 units have been newly acquired and restricted, and 720 units have been preserved. Another 4,200 units are expected to be completed by the end of 2004. In addition, thousands of residents have had their homes rehabilitated or painted, or have become homeowners with City assistance.

### Proactively Identifying Housing Opportunities

San Jose continues to be a regional leader in the identification of underutilized land for potential housing sites. Focusing primarily along the City's Transit Corridors, staff is expected to complete the third phase of the Housing Opportunity Study. These sites are proposed for General Plan amendments to increase residential densities, capturing and

protecting these potential housing opportunities. In 2000-2001, the first phase of the Housing Opportunity Study added approximately 5,000 units to the City's overall housing capacity. An additional 1,800 units are pending as part of the second phase of the Study. The total housing capacity increase for 2001-2002 is estimated at 4,500 units.

### Increasing Homeownership Opportunities

According to the California Association of Realtors, the median priced home in Santa Clara County is \$525,000 as of February 2002 – a 5.4% decrease from one year prior. Data from December 2001 shows 29% of County residents can afford to purchase a median-priced home, whereas only 18% could afford a median-priced home one year prior. Although these trends reflect improvement, County residents do not share the same opportunities as the 57% of American families that are able to afford a median-priced home in their communities. The City is demonstrating its commitment to addressing these issues by allocating an additional \$2 million to the Home Venture Fund to provide first-time homebuyer loans to San Jose residents needing assistance.

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>A. INCREASE THE SUPPLY OF HOUSING FOR ALL INCOME LEVELS</b>					
1. Approve Development Permits for Residential Construction for a Variety of Housing Types	1. % of units receiving development permit approval compared to target of 4,000/yr. (actuals in parentheses)	100% (20,000 units)	100% (4,000 units)	75% (3,000 units)	100% (4,000 units)
2. Increase the Number of Housing Units Developed in Greater Downtown Area	1. % of target (1,000 units/yr.) for housing unit production completed in the Greater Downtown Area.	100% (5,000 units)	100% (1,000 units)	87% (869 units)	100% (1,000 units)
3. Increase the Number of High-Density For-Sale Housing Units as a Percent of Total High-Density Units Built	1. % of High-Density Residential Units receiving building permits that are For-Sale (New Measure)	35% (7,000 units)	30% (1,200 units)	20% (400 units)	25% (600 units)
4. Increase the City's Housing Unit Capacity	1. # of dwelling units added to the General Plan holding capacity annually	10,000 (2,000/yr.)	2,000	4,500	3,000
5. Increase homeownership in SNI areas	1. # of households assisted by the Home Venture Fund, by income level (New)				
	a. Moderate-Income Households	175	35	31	35
	b. Low-Income Households	75	15	14	15

# Performance by Outcome

## Outcome 2: Diverse range of housing opportunities (Cont'd)

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>B. ASSIST IN THE DEVELOPMENT OF AFFORDABLE AND FOR-SALE HOUSING</b>					
1. Speed Up the Development Process for Affordable Housing Projects	1. % of affordable housing projects receiving building permit within 6 months of plan check submittal (New Measure)	85%	50%	40%	50%
	2. % of developers rating Housing Action Team (HAT) process as "Good" or "Excellent"	95%	95%	TBD*	95%
2. Increase the Supply of Affordable Housing	1. % of cumulative achievement toward 5-year construction completion goal (target in parentheses) (New)	100% (8,733)	86% (2,410)	82% (2,309)	91% (3,836)
3. Disperse Affordable Housing Throughout the City (Dispersion Policy)	1. % of City funded lower income housing located outside of impacted neighborhoods—neighborhoods with a high concentration of low- and moderate-income households	85%	85%	94%	85%
	2. Number of households assisted in obtaining rental and for-sale housing	5,700	1,700	1,708	2,500
4. Direct Significant Affordable Housing Resources to Lower-Income Households	1. % funds reserved by income levels over 5 years:				
	- Very Low (<+50% of median)	> 60%	> 60%	60%	> 60%
	- Extremely low (<=30% of	-	> 30%	15%	> 30%
	- Very Low (31 - 50% of median)	-	> 30%	45%	> 30%
	- Low (51 to 63% of median)	> 25%	> 25%	29%	> 25%
	- Moderate (64%-120% of median)	< 15%	< 15%	11%	< 15%

\*Data available in 2002-2003

### Assistance in the Development Process

The City's objective is to meet the need for housing development for families and individuals of all incomes, and to provide a variety of housing types to meet the needs of individual households. The City acts as a facilitator to the development of housing, as the City itself is not a housing developer. There are several ways that development is made possible, from zoning land for housing development to streamlining development processes. In 1999, the Housing Action Team (HAT) was put in place to speed up the development process for affordable housing projects. In 2002-2003 the Low and Moderate-Income Housing Fund will support a position in the Public Works Department to coordinate the land use permitting process for the HAT in addition to the current funding for a position in the Planning Department. This investment will result in further streamlining of the development process for affordable housing projects.

### Targeted Funding

The City Council has established specific funding goals by income level, targeting most of the funds for those households with the least ability to pay for housing. As shown in the chart above, a minimum of 60% of funding will be reserved for very low income households, and no more than 15% funding will be reserved for moderate income households. The subsidy amounts reserved for various income groups are highly impacted by outside funding sources. In 2001, the City Council made a determination that assistance to Extremely Low-Income (ELI) households is critical and targeted 30% of funds to this category. In an effort to attain this goal, an additional \$34.87 million is being allocated to the ELI fund in 2002-2003 from the Redevelopment Agency.

# Performance by Outcome

## Outcome 2: Diverse range of housing opportunities (Cont'd)

### Creative Solutions

Creative solutions to the housing crisis continue to be a priority for the City. The following outlines new priorities for 2002-2003:

- **SNI-Focused Rehabilitation Program** — The Housing Department and Redevelopment Agency are creating a new program that will provide for an additional 250 units—double the current number of conventional home rehabilitation projects.
- **Hensley Historic Restoration** — Recognizing the extra cost of doing renovations to historic homes, the Housing Department and the Redevelopment Agency are working together to create a program providing technical assistance from a historic renovation consultant and subsidies for rehabilitation to homeowners and landlords in the Hensley Historic District.
- **Section 8 Homeownership** — The Housing Department and Redevelopment Agency are partnering with the Housing Authority of Santa Clara County, Fannie Mae and the California Housing Finance Agency to create a homeownership program for low-income families.
- **Rental Dispute Program** — In 2001-2002 the Rental Dispute Program was transferred to the Housing Department. In the upcoming year, staff will focus on implementing recommendations from the Mayor's Rental Housing Task Force that are adopted by the City Council.

A five-year homeless plan is being developed to define the City's role as a homeless service provider. After gaining Council approval and establishing policy, performance measures and objectives will be developed. In response to the Mayor's Budget Message, ongoing funding of \$300,000 for the Homeless Families and Children Initiative will be established in 2002-2003.

#### Teacher Housing

The City also continues to support its policy of being the most teacher-friendly City in the Country. Since its inception, 204 teachers have been assisted by the Teacher Homebuyer Program. Also anticipated is the completion of 450 rental housing units for teachers by 2004. These actions demonstrate the City's



commitment to providing affordable housing to its own teachers.

### Special Populations

- Homeless Services

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>C. IMPROVE AND PRESERVE THE EXISTING HOUSING STOCK</b>					
1. Provide Incentives to Homeowners and Rental Property Owners to Rehabilitate Their Dwellings	1. % of Target met for units rehabilitated through City action (Code Enforcement and Housing – target in parentheses)	100% (25,000 units)	100% (4,500 units)	89% (4,000 units)	100% (4,250 units)
<b>D. MEET HOUSING NEEDS OF SPECIAL POPULATIONS</b>					
1. Assist the Homeless	TBD pending Council policy determination				
2. Provide Housing Assistance to Teachers	1. % of Target achieved (70 loans/yr.)	100% (350)	100% (70)	180% (126)	100% (70)
	2. % of rental units for teachers completed (target in parentheses)(New)	100% (450)	--	--	100% (187)



# Performance by Outcome

## *Outcome 3: Safe, healthy, attractive and vital community*

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>A. SAFE PLACE TO LIVE AND WORK</b>					
1. Ensure Structural and Life Safety in Built Environment	1. % of design professionals surveyed who rate structural review process as "good" or "excellent"	75%	45%	50%	50%
	2. % of residents rating building and fire code enforcement as "Good" or "Excellent"	75%	55%	50%	55%
2. Integrate Safe Design Principles into Development Review Process to Create Safe Public Spaces	1. % of residents surveyed who perceive that their neighborhood is "Very Safe" when walking:				
	- during the day	65%	60%	62%	60%
	- during the night	40%	36%	38%	36%
<b>B. DESIRABLE PLACE TO LIVE AND WORK</b>					
1. Revitalize and Rehabilitate Uses, Sites, and Structures in Neighborhoods, Commercial and Industrial Areas	1. % of properties with improved physical appearance within the Strong Neighborhood Initiative Areas (as measured by the Blight Analysis)	35%	5%	5%	7%
	2. # of facades, streetscapes, and development projects completed				
	a. Streetscapes	5	5	5	5
	b. Facades	150	50	55	50
	c. Development Agreement to Board	6	2	2	2
	d. Development Sites Marketed	12	0	0	4

### Strong Neighborhoods Initiative

Through the Strong Neighborhoods Initiative (SNI), residents, property owners, and other community members are working with City staff to enhance neighborhood assets, eliminate blight, and improve the overall quality of life in their neighborhoods. To guide these improvements, each SNI area is developing a Neighborhood Improvement Plan identifying the neighborhood's "top ten" priority action items. These action items range from the installation of traffic calming devices and the construction of new parks to increased code enforcement and vehicle abatement. By the end of 2001-2002, thirteen plans were approved by the City Council. The remaining plans will be completed in 2002-2003.

The implementation of Council approved SNI Improvement Plans is expected to occur through a partnership between community members and the City. Although some action items are best implemented by neighborhood groups, funding for certain SNI related capital projects is included in the Redevelopment Agency budget. Other items will require the realignment of City services. For example, while there is an overall reduction in commu-

nity code enforcement resources, high demand services such as neighborhood clean-ups, and proactive vehicle abatement are being expanded in this budget.

The Code Enforcement service delivery model is changing in SNI areas. In September 2001, a "Driveway Team" was established to proactively and comprehensively address a broad array of blight conditions, including abandoned vehicles, poor property maintenance, and inappropriate outdoor storage. The Driveway Team, working in partnership with the various Neighborhood Action Committees, has surveyed 7,000 parcels in twelve of the original fourteen SNI neighborhoods. The Team has identified and resolved over 2,300 blight cases and removed 300 abandoned vehicles from City streets. Funding for the Team from the Redevelopment Agency is now included for an additional four years. The Redevelopment Agency will also fund an expansion of the Neighborhood Cleanup Program in SNI neighborhoods that will result in an additional 26 cleanups.

# Performance by Outcome

## Outcome 3: Safe, healthy, attractive and vital community (Cont'd)

### Development Review Process

Ensuring that San Jose remains an attractive and safe place to live and work requires a comprehensive and efficient development review process. Continued growth will require the City to balance an increased demand for housing and jobs with protection of the environment. Success in keeping this balance depends on an efficient and thorough development review process that minimizes unnecessary delays while preserving the public's involvement in shaping the City. One measure of the success of the process is the opinion of the people who live near new development projects. The most recent survey data shows that 74% of nearby residents stated that the City did a "Good" or "Excellent" job in ensuring that new development was appropriately designed to fit into their neighborhood.

A 5-Year Strategic Goal is to achieve an 85% favorable response from development customers on the question of whether the multi-department development process functions as one seamless operation. A seamless system will result from improved coordination, which can facilitate quicker resolution of outstanding issues so that projects are able to receive the highest quality of review in the shortest time necessary. Implementation

of the new San Jose Permits On-Line System (formerly called the Integrated Development Tracking System) is helping to achieve this goal.

### Development Fee Programs

Responding to the economic downturn has been the major focus of this CSA's development review partners. Increasing costs and revenue that was sharply lower in 2001-2002 created a \$13 million base shortfall in the development fee programs for 2002-2003. The revenue shortfall was exacerbated by the fact that many of the fees for development services had fallen from 25 to 40% below the cost recovery level. Responding to the message from development customers that getting timely service from City staff is their highest priority, the CSA development services providers proposed a budget balancing strategy that was built on the premise that service must be maintained at targeted performance levels. With that element as a given, the strategy employed position cuts and redeployments to reduce costs and "right-size" for current activity levels, and fee increases to close the cost recovery gap.

### Development Fee Programs (Cont'd)

With changing economic conditions, the level

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>B. DESIRABLE PLACE TO LIVE AND WORK (cont'd)</b>					
2. Quality Living and Working Environment	1. % of community residents that feel that their neighborhood condition is Good or Excellent	75%	70%	68%	70%
	2. % of residents surveyed who are satisfied with the quality of new development in their neighborhood	80%	75%	74%	75%
3. Public Services to Meet Demands of Users	1. % of community residents satisfied with the overall citywide quality of services they are provided	80%	75%	77%	75%
4. Active Business and Community Partnerships	1. % of residents who feel that people in their neighborhood Definitely or Probably share a sense of local pride	75%	68%	69%	70%
	2. % increase of sales tax and property values in Neighborhood Business Districts & RDA project areas	Study to be completed in June 2002	-	-	-

# Performance by Outcome

## *Outcome 3: Safe, healthy, attractive and vital community (Cont'd)*

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>B. DESIRABLE PLACE TO LIVE AND WORK (cont'd)</b>					
5. Provide Seamless And Effective Development Review Including Implementation of Environmental Regulations, in a Customer-Friendly Fashion	1. % of projects that receive thorough, complete, consistent review in first cycle of staff review (New Measure)	TBD	-	-	TBD**
	2. Ratio of current year fee revenue to fee program cost (New Measure)	100%	89%	81%	89%
	3. Selected development processing time targets: (New Measure)				
	- Planning Initial Comments Mailed within 30 Days	90%	100%	49%	90%
	- Building Plan Check Processing Targets Met *	90%	90%	91%	90%
	- Planning Application Responses Within 3 Weeks	75%	55%	55%	60%
	- Building Inspections Within 24 hrs	85%	85%	81%	85%

\* Targets are 2-6 weeks depending on size of project

\*\* New measure - data to be available in 2002-2003

of resources for development review functions are adjusted to ensure that staff can conduct a thorough and complete review of projects and still complete them within committed timeframes. The workload in Planning's Development Review Section and in the Building and Fire Department Plan Check Sections has already fallen off as a result of the economic downturn. While Building Inspection and Public Works Development Services are seeing some slowing of activity, these programs are still servicing obligations from last year's record activity. Delays in reaching performance targets in 2001-2002 are largely the result of holding budgeted positions vacant while the workload was still heavy, in anticipation of the necessity of staff reductions in 2002-2003. Staffing levels for 2002-2003 assume a continuation of the current lower level of activity. At the same time, the development services programs will be working closely with the Budget Office to enable the timely addition of staff if activity increases. Maintaining a fee structure that reflects the actual cost of service is a crucial part of this equation because it ensures the City's fiscal ability to adjust staffing to the level of activity. To that end, the City's development review programs increased fees to cover the costs of providing service. Responding to feedback

from customers, the fee increases are being phased-in to avoid very large increases all at once. Some fees will reach the cost recovery level in two years. The phase-in of fees with larger gaps will take three years.

### Sustainable Development

Existing resources are applied to encourage the inclusion of Green Building design techniques, such as energy efficiency, in the new construction of public, commercial and multi-family buildings. The Pala Youth Center and the West Valley Library both incorporate Green Building principles. More efficient use of the City's transportation network will be achieved through expansion of the public transportation system, encouraging the use of alternatives to single occupant vehicles, and supportive land use development.



# Performance by Outcome

## Outcome 3: Safe, healthy, attractive and vital community (Cont'd)

### Development Initiatives

In response to the Mayor's 10-Point Economic Stimulus Plan, San Jose now offers tax suspension and plan check fee deferral for tenant improvements intended to prepare vacant building space for industrial or research and development uses. The goal of this program is to make vacant space in San Jose more attractive to potential corporate tenants by offering a faster and less expensive means to begin operations in a new location. This program also offers express plan check and priority inspection services through the integration of Building and Fire plan check and inspection staff for tenant improvement projects.

The City has commissioned a comprehensive review of the development review process. Zucker Systems is conducting the study, which is expected to identify areas of change in the organization and the processes that can enable staff to provide faster, higher quality, and seamless services to our development

customers. Currently, a series of modifications to the Zoning and Subdivision Ordinances are underway to streamline the processes and eliminate conflicting regulations.

Major technology-related service enhancements for the 2002-2003 fiscal year include:

- Expansion of the San Jose Permits On-Line System to handle most permit application types via the internet;
- Imaging of permits, plans and other public documents to allow quick retrieval and viewing electronically – both internally and via the internet; and
- A research phase for field inspection automation that will begin to assess the ability of available technology to allow inspectors to access information and file inspection notes from the field.

5-Year Strategic Goals/Objectives	CSA Performance Measures	2002-2007 5-Yr Goal	2001-2002 1-Yr Target	2001-2002 Estimate	2002-2003 1-Yr Target
<b>B. DESIRABLE PLACE TO LIVE AND WORK (cont'd)</b>					
5. Seamless and Effective Development Review (cont'd)	4. % of development process participants rating service as good or excellent	90%	80%	70%	75%
	5. % of residents & businesses who perceive desirability of physical environment as good or excellent				
	- Attractiveness Resid. Property	75%	70%	65%	70%
	- Attractiveness Comm. Property	58%	55%	53%	55%
	- Physical cond. Neighborhoods	74%	70%	68%	70%
	- Access to Public amenities	83%	80%	80%	80%
	6. % of clients surveyed who perceive that the development review process is seamless	85%	75%	75%	78%
<b>C. HEALTHY AND SUSTAINABLE ENVIRONMENT</b>					
1. Utilize Green Building Design to Reduce Energy Demands in All Public/Private Development	1. % of new building square footage incorporating Green Building Design				
	- Public Buildings	100%	75%	TBD	75%
	- Commercial Buildings	25%	5%	TBD	5%
	- Attached Residential	10%	2%	TBD	2%
2. Plan for Expansion of Public Trans. Systems & Encourage Alternatives to Single Occupant Car	1. % of development sites with car pool parking, Eco Pass distribution, bike parking, bike lockers, employee showers	80%	TBD	TBD	TBD

# Approved Investments

## Economic and Neighborhood Development CSA

Budget Changes*	Positions	2002-2003 All Funds (\$)	Ongoing (\$)
<b>Outcome: Strong Economic Base</b>			
<i>Convention Facilities (CAE)</i>			
• Convention Center Electrical Services Revenue Program	-	(577,967)	-
• Rebudget: Lighting Equipment Replacement	-	138,750	-
<i>Business/Job Attraction, Retention, Expansion and Creation (OED)</i>			
• Reclassification of the Development Enhancement Special Fund Administrator	1.00	110,000	111,966
• Workforce Investment Act Funding Shift for Support Staff	-	-	-
• Rebudget: Enterprise Zone Website Develop	-	40,000	-
<i>Workforce Development (OED)</i>			
• Workforce Development Program Staff	13.00	979,561	998,139
<b>Subtotal</b>	<b>14.00</b>	<b>690,344</b>	<b>1,110,105</b>
<b>Outcome: Diverse Range of Housing Opportunities</b>			
<i>Maintain the Existing Affordable Housing Supply (Housing)</i>			
• Expanded Housing Rehabilitation Program in Strong Neighborhoods Initiative Area	5.00	493,266	546,021
• Portfolio Management Team	3.00	276,716	249,856
• Rebudget: Vehicle Replacement	-	65,000	-
<i>Long Range Land Use Planning (PBCE)</i>			
• Rebudgets: Housing Opportunities	-	597,800	-
<i>Citywide Expenses</i>			
• Homeless Families/Children Initiative Fund	-	300,000	-
<b>Subtotal</b>	<b>8.00</b>	<b>1,732,782</b>	<b>795,877</b>
<b>Outcome: Safe, Healthy, Attractive and Vital Community</b>			
<i>Fire Safety Code Compliance (Fire)</i>			
• Fire Fee Program	(3.00)	(375,914)	(477,318)
• Rebudget: Fire Inspection Billing System	-	150,000	-
• Rebudget: Vehicle Purchase	-	19,000	-
<i>Long Range Land Use Planning (PBCE)</i>			
• Public Information for Planning Services	(2.00)	(146,659)	(146,659)
• Planning Fee Program	(1.00)	(117,972)	(117,972)
• Strong Neighborhoods Initiative Plan	2.00	172,429	-

### CORE SERVICES

#### PLANNING, BUILDING AND CODE ENFORCEMENT

Community Code Enforcement  
Development Plan Review and Building Construction Inspection  
Long Range Land Use Planning

#### HOUSING

Increase the Affordable Housing Supply  
Maintain the Existing Affordable Housing Supply  
Provide Services to Homeless and At-Risk Population

#### REDEVELOPMENT

Promote and Implement Neighborhood Improvements Strategies  
Initiate and Facilitate Private Development

Enhance the Quality and Supply of the City's Housing Stock

#### CONVENTIONS, ARTS AND ENTERTAINMENT

Convention Facilities

#### OFFICE OF ECONOMIC DEVELOPMENT

Business/Job Attraction, Retention, Expansion and Creation  
Workforce Development

#### PUBLIC WORKS

Regulate/Facilitate Private Development

#### Fire

Fire Safety Code Compliance

# Approved Investments

## Economic and Neighborhood Development CSA (Cont'd)

Budget Changes*	Positions	2002-2003 All Funds (\$)	Ongoing (\$)
<b>Outcome: Safe, Healthy, Attractive and Vital Community (Cont'd.)</b>			
<i>Development Plan Review &amp; Building Construction</i>			
<i>Inspection (PBCE)</i>			
• Building Fee Program	(20.60)	(2,358,311)	(2,358,311)
• Planning Fee Program	(3.70)	(421,652)	(375,605)
• Planning Services - Non-Profit Assistance	(1.00)	(91,284)	(91,284)
• Changes in Vehicle Maintenance Staffing Levels	-	(6,955)	(6,955)
• Rebudgets: Planning Vehicle and Imaging Server	-	59,000	-
<i>Community Code Enforcement (PBCE)</i>			
• General Code Enforcement Reduction	(2.00)	(143,972)	(143,972)
• Community Code Enforcement Funding Reallocation	-	-	-
• Changes in Vehicle Maintenance Staffing Levels	-	(6,045)	(6,045)
• Technical Adjustment/Transfer Systems Application Programmer to IT Department	(1.00)	(82,808)	(82,808)
• Rebudget: Vehicles	-	83,000	-
<i>Regulate/Facilitate Private Development (Public Works)</i>			
• Public Works Fee Program	(12.61)	(1,093,289)	(1,093,289)
• Fiber Optics Program	(3.00)	(223,722)	(223,722)
• Capital Program Positions Redeployment	(0.95)	(94,844)	(98,444)

# Approved Investments

## Economic and Neighborhood Development CSA (Cont'd)

Budget Changes*	Positions	2002-2003 All Funds (\$)	Ongoing (\$)
<b>Outcome: Safe, Healthy, Attractive and Vital Community (Cont'd.)</b>			
<i>Strategic Support (Fire)</i>			
• Fire Fee Program	(0.80)	(45,653)	(45,653)
<i>Strategic Support (PBCE)</i>			
• Public Information Marketing and Outreach	(0.20)	(19,659)	(19,659)
• Network Maintenance and Support	-	96,120	-
• Rebudget: Website Consultant	-	55,000	-
<i>Strategic Support (Public Works)</i>			
• Capital Program Positions Redeployment	(0.15)	(10,382)	(10,382)
<i>Citywide Expenses</i>			
• Neighborhood Clean Up Program Expansion	-	363,514	363,514
• Richmond/Menker Apartment Improvements	-	65,000	-
• Palm Haven Pillars Restoration	-	10,000	-
• Miscellaneous Rebudgets	-	770,113	-
<i>Subtotal</i>	(50.01)	(3,280,945)	(4,934,564)
<b>Total Budget Changes Approved</b>	<b>(28.01)</b>	<b>(857,819)</b>	<b>(3,028,582)</b>

\* Details on budget changes listed above are presented in Department Core Services section



## General Services Department

Core Service: Parks & Civic Grounds Management  
City Service Area: Recreation and Cultural Services

### Core Service Purpose

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**T**o provide a safe, functional and aesthetically pleasing parks system.

#### Key Operational Services:

☐ **Provide Grounds and Landscape Maintenance**

☐ **Maintain Park Hardware and Sports Apparatus**

### Performance and Resource Overview

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**P**arks & Civic Grounds Management core service contributes directly to the Recreation and Cultural Services CSA's outcome to provide *Safe and Clean Parks, Facilities and Attractions*. This includes providing full grounds maintenance to all Neighborhood Park facilities and Civic Grounds, while providing central support, namely turf management, irrigation repair, horticulture support and equipment repair services to all Regional Park facilities.

Due to a reduction in one-time resources and increased acreage, 19% of the park facilities were rated as in good or better condition for 2000-2001. A higher percentage of the park facilities (25%) is estimated to be rated as being in good or better condition during 2001-2002. This increase is a result of the two Urgent Services Maintenance Crews that were added last year to respond to maintenance emergencies, allowing staff to continue on its maintenance schedule.

The Recreation and Cultural Services CSA includes a 5-year goal to increase the percentage of parks receiving a good or better condition rating from the current estimated level of 25% to 80%. Last year the 5-year goal was 90%. However, during the process of developing the Business Plan and re-evaluating the 5-year goals, the consensus of the Recreation and Cultural Services CSA was to adjust this goal to be more realistically attainable, regardless of economic conditions. Raising this percentage from 25% to 80% will be accomplished by providing a higher level of maintenance services, as well as completing the projects funded by the Parks General Obligation Bond. Due to budget constraints, however, these performance measure targets are not expected to improve in 2002-2003. Parks & Civic Grounds Management staff will strive to achieve the 2002-2003 target of 22% of the facilities being rated in good or better condition, and maintain the current customer satisfaction rating of service delivery of 66%.

Ongoing funding is approved for three of the eight new parks coming on-line. Additional resources are needed for three of the new parks due to the size, maintenance complexity and location relative to other park facilities. The department will absorb costs for the remaining five new parks and 13 enhancements planned for park facilities in 2002-2003. The additional funding will maintain the

## **General Services Department**

### **Core Service: Parks & Civic Grounds Management**

*City Service Area: Recreation and Cultural Services*

### **Performance and Resource Overview (Cont'd.)**

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new park facilities at a current maintenance service level. The department anticipates no degradation of service level or condition rating system-wide during 2002-2003 as new park facilities are added to the inventory.

Changes in staffing levels were approved. The increase in vacancy savings factor from 2% to 4% should still enable the department to fill key vacancies as necessary and prudent. Parks Maintenance staff will monitor vacancies within the core service, maintaining more vacancies in the winter months when maintenance is less demanding. Contractual services to improve restroom cleanliness will be reduced by 25%. Restrooms will continue to be maintained daily through redeployment of staff; however, this will impact the organization's ability to complete other routine and preventive maintenance tasks.

As a partner in the Recreation and Cultural Services CSA, this core service is participating in an organizational development effort with the Parks, Recreation, and Neighborhood Services Department (PRNS) to improve service delivery through structural changes and the realignment of resources. General Services Parks Maintenance is also working with the Visitor Services & Facilities Division of PRNS to assess the efficiencies and effectiveness gains that could be achieved through a collaborative maintenance approach between the two departments. Early indications suggest that efficiencies identified will not create sufficient capacity to absorb additional acreage into either maintenance inventory but rather creates an effective maintenance support system. Parks Maintenance is exploring the possibility of expanding the Adopt-a-Park program. The strategy is to train more park volunteers to approach corporations to solicit donations and sponsorship.






In 2001-2002, staff continued to work collaboratively with the Facilities Management core service to eradicate 100% of graffiti within 24 hours of notification, with an average response time of 1.5 hours. This staff redeployment effort is an example of a creative strategy to address a community problem.

# General Services Department


## Core Service: Parks & Civic Grounds Management

*City Service Area: Recreation and Cultural Services*

### Performance and Resource Overview (Cont'd.)

Parks & Civic Ground Management Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of Neighborhood Park facilities with a staff condition assessment rating of 4.0 or greater (on a 5 point scale with 5 being excellent)	19%	22%	25%	22%
 Maintenance budget per developed park acre maintained	\$13,541	\$15,000	\$14,248	\$15,000
 % of customer concerns completed within time standards established by PRNS	86%	90%	94%	90%
 % of park hardware and sports apparatus repairs completed within target date established with customer	62%	70%	74%	70%
 % of customers who rate neighborhood parks as safe, functional and aesthetically pleasing	62%	66%	66%	66%

### Selected Operational Measures

 % of graffiti occurrences abated within 24 hours of notice	100%	100%	100%	100%
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Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
# of volunteers who participate in Adopt-A-Park	1,100	1,300	1,200	1,300
Park facilities with a staff condition assessment rating of 4.0 or greater (on a 5 point scale with 5 being excellent)	25	45	50	45
Total developed park acreage per field maintenance personnel (includes acreage supported by central services)	7.6	7.8	7.8	7.8
# of developed neighborhood parks and trails	138	141	141	149
Total developed acres maintained (neighborhood parks and trails)	938	955	955	969
# of civic grounds maintained	55	55	55	55



# General Services Department

## Core Service: Parks & Civic Grounds Management

*City Service Area: Recreation and Cultural Services*

### Performance and Resource Overview (Cont'd.)

Parks & Civic Grounds Management* Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget **</b>					
Personal Services	N/A	N/A	\$ 189,058	\$ 189,058	N/A
Non-Personal/Equipment	N/A	N/A	55,115	55,115	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 244,173</b>	<b>\$ 244,173</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>150.75</b>	<b>153.75</b>	<b>N/A</b>

\* Parks Maintenance funding displayed in the General Services Department section of this document represents funds for landscape maintenance services at the Water Pollution Control Plant as approved by City Council in 1998-1999. Basic park maintenance continues to be provided by the General Services Department and funded in the Department of Parks, Recreation and Neighborhood Services budget in the Community Services section of this document.

\*\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE AND CLEAN PARKS, FACILITIES AND ATTRACTIONS

<b>1. Maintenance for New Parks and Facilities</b>	<b>3.00</b>	<b>0</b>	<b>0</b>
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This action provides maintenance for new neighborhood park acreage (13.6 acres) coming on-line during 2002-2003, including eight park facilities and 13 enhancements. The new park facilities include Bird/Fisk Park, O'Connor Park, South Central Pool, Latimer Community Garden, Buena Vista, Gleason Avenue Streetscape, Sixth and William Street and Tully Road Little League Fields. The core service will absorb maintenance costs for 18 park facilities/enhancements in 2002-2003. The remaining three park facilities, O'Connor Park, South Central Pool and Tully Road Little League Fields, require funding due to their size, maintenance complexity and location in relation to other facilities. The total approved investment for these three park facilities also funds related non-personal/equipment, including one-time funding for trucks (\$115,000). Funds were appropriated in the Parks, Recreation, and Neighborhood Services Department and three positions (two Groundswokers and one Park Maintenance Repair Worker) have been authorized in the General Services Department. (Ongoing cost: \$0)

#### Performance Results:

No change to service levels is anticipated.

## General Services Department

### Core Service: Parks & Civic Grounds Management

*City Service Area: Recreation and Cultural Services*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE AND CLEAN PARKS, FACILITIES AND ATTRACTIONS (CONT'D.)

**2. Efficiency Savings in Parks Maintenance** 0 0

This action reduces the restroom maintenance contract by 25% and increase the vacancy savings factor from two percent to four percent. The reduction in resources will be mitigated through examination and redeployment of services as well as collaboration between regional and neighborhood park maintenance staff. Staff will be redeployed to maintain the restrooms daily at the current level of service. The savings have been reflected in the appropriation to the Parks, Recreation, and Neighborhood Services Department. (Ongoing savings: \$0)

**Performance Results:**

No change to service levels is anticipated.

**3. Changes in Vehicle Maintenance Staffing Levels** 0 0

Savings result from an increase in the vacancy factor savings for General Services vehicle maintenance staffing. This will generate savings of \$44,000 in the Parks, Recreation, and Neighborhood Services Department and will reflect a likely downsizing of the fleet resulting from a vehicle program audit currently in progress. General Services will mitigate the reduction by managing its vacancies and determining which vacancies are critical to be filled, redeploying resources to key positions and reducing or eliminating less critical services. (Ongoing savings: \$0)

**Performance Results:**

**Cycle Time** If the fleet is not downsized, reductions in Fleet staffing level will cause cycle times for preventive maintenance and minor repairs to increase. Service levels and availability of fleet will remain the same for emergency vehicles.

2002-2003 Adopted Core Service Changes Total	3.00	0	0
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# Information Technology Department

**Core Service: Technology Customer Support**  
*City Service Area: Strategic Support – Finance and Technology*

## Core Service Purpose

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**P**rovide direct customer support and training for technology equipment and applications.

### Key Operational Services:

☐ **Desktop Support**

☐ **Data Production**

## Performance and Resource Overview

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**T**he Technology Customer Support core service assists customers in determining the equipment and software necessary for their requirements, and coordinates the installation of, training for, and support of the equipment and software. This core service contributes to the Finance and Technology CSA's outcome: *Systems and Processes Facilitate the Delivery of City Services to Internal and External Customers.*

For 2001-2002, the IT Department estimated a performance level of 99.61% for the e-mail system availability during the current supported business hours. The slight decrease from 100% in 2000-2001 is due to the major "NIMDA" virus attack that took place in the first quarter of 2001-2002. System availability for the Financial Management System and the Human Resources/Payroll System is estimated to be 99% and 98% compared to the targets of 98% for both systems. This is a significant achievement given the virus attack and the fact that both of these systems were upgraded to newer versions during the year. As a result of the virus attack, virus detection on all desktop computers was upgraded along with an audit and subsequent modifications to remote access to the City's network.

The IT Department in partnership with the City Manager's Office implemented audio web streaming capabilities for Room 204 of City Hall. This technology allows anyone with access to a personal computer with audio capabilities and an Internet connection to be able to listen to the Finance and Infrastructure Committee live over the Internet.

In November 2001, the IT Department took over supervisory responsibility for the Conventions, Arts & Entertainment Department technology support staff. The Convention Center's e-mail system was merged into the portion of the City's e-mail system that the IT Department manages and administers. In addition, all technology-related user support issues as well as all technology purchases are now the responsibility of the IT Department.

## **Information Technology Department**

### **Core Service: Technology Customer Support**

*City Service Area: Strategic Support – Finance and Technology*

### **Performance and Resource Overview (Cont'd.)**

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Approximately 22% of the Department's approved budget reductions reside in this core service. The approved reduction focuses on the elimination of vacant positions that, were they filled, would have supported the older VAX technology and the migration of data from the VAX to newer hardware.

#### **Performance Measure Development**




Development of an on-line survey tool is currently underway. A customer satisfaction survey was completed in the fourth quarter of 2001-2002. Seventy-six percent of the respondents rated the quality and timeliness of customer support as good to excellent.

As noted in the City-wide Data Management core service section, the Department is looking at an automated work order system. This system would allow the Department to track information on items such as the number of calls by the same user for the same problem. The Department expects that, in the first quarter of 2002-2003, a system will be selected for purchase.

# Information Technology Department

**Core Service: Technology Customer Support**  
*City Service Area: Strategic Support – Finance and Technology*

## Performance and Resource Overview (Cont'd.)

Technology Customer Support Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of time system is available during normal business hours				
- E-mail	100%	100%	99.61%	100%
- Financial Management System	98.49%	98%	99.22%	99%
- PeopleSoft	98.39%	98%	97.83%	99%
 % of service requests resolved within established guidelines:				
- 1 hour for urgent requests	-	90%	100%	90%
- 4 hours for all other requests	87%	90%	79.14%	90%
 % of customers rating customer support as good or excellent based on timeliness and quality of service	-	90%	75.87%	90%

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of service requests			1,993	3,000
Number of calls by same user for same problem			TBD*	TBD*

\* See Performance Measure Development section.

# Information Technology Department

Core Service: Technology Customer Support  
City Service Area: Strategic Support – Finance and Technology

## Performance and Resource Overview (Cont'd.)

Technology Customer Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 6,941,708	\$ 7,007,092	N/A
Non-Personal/Equipment	N/A	N/A	846,577	1,184,277	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 7,788,285</b>	<b>\$ 8,191,369</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>70.18</b>	<b>71.07</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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### SYSTEMS AND PROCESSES FACILITATE THE DELIVERY OF CITY SERVICES TO INTERNAL AND EXTERNAL CUSTOMERS

1. Consolidation of Technology Customer Support	(2.00)	(159,211)	(159,211)
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This action eliminates two vacant Systems Application Programmer II positions. The first position supports the business applications on the VAX and has been vacant for more than a year. The second is a position that supports users of the Time Card Front-End program. Its customer support function will continue to be performed by existing IT Department customer support staff. The consolidation authorized with this action will have minimal impact to current customer support and quality of service since both positions are vacant. (Ongoing savings: \$159,211)

#### Performance Results:

**Quality** No impact to current levels of service. Existing staff will continue to perform work at levels indicated by actual performance measure results. Planned enhancements will not move forward at this time. Specifically, migration of systems off the VAX onto newer technology will be delayed.

# Information Technology Department

## Core Service: Technology Customer Support

*City Service Area: Strategic Support – Finance and Technology*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SYSTEMS AND PROCESSES FACILITATE THE DELIVERY OF CITY SERVICES TO INTERNAL AND EXTERNAL CUSTOMERS (CONT'D.)</b>			
<b>2. On-Line Permit Support Services/ Server Redundancy and Maintenance Reallocation</b>		<b>227,700</b>	<b>227,700</b>
<p>This action funds ongoing help desk services, contract management, on-site support, software maintenance, and one-time costs for a redundant network cluster that will provide back-up for on-line permitting and the San Jose Permits On-line System. A redundant network cluster is necessary in order to provide customer access to the system during both business and non-business hours over the Internet and to support agreements for integrating software updates and consultant testing. (Ongoing cost: \$130,000)</p>			
<b>Performance Results:</b> N/A (Final Budget Modification)			
<b>3. Reallocations to Enhance Technology Customer Support</b>	<b>2.89</b>	<b>224,595</b>	<b>153,642</b>
<p>This action reallocates funding for technology customer support to the IT Department to fund 2.89 positions. The reallocations include 0.89 Information Systems Analyst from the Environmental Services Department (\$70,953), one Systems Application Programmer II from the Employee Services Department (\$70,834), and one Systems Application Programmer II from the Planning, Building, Code Enforcement Department (\$82,808). (Ongoing cost: \$224,595)</p>			
<b>Performance Results:</b> N/A (Final Budget Modification)			
<b>4. Rebudget: San Jose Permits On-Line System Maintenance</b>		<b>110,000</b>	<b>110,000</b>
<p>One-time savings from 2001-2002 are available for rebudget to augment 2002-2003 maintenance levels for the San Jose Permits On-Line System. (Ongoing cost: 0)</p>			
<b>Performance Results:</b> N/A (Final Budget Modification)			
<b>2002-2003 Adopted Core Service Changes Total</b>	<b>0.89</b>	<b>403,084</b>	<b>332,131</b>